

**THE HOUSTON INDEPENDENT SCHOOL DISTRICT**



# **AGENDA**

**Board of Education  
Meeting**

**January 12, 2017**

THE HOUSTON INDEPENDENT SCHOOL DISTRICT  
BOARD OF EDUCATION

# Agenda Index

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| A. Superintendent's Priority Items   | G. Human Resources                    |
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| E. Deputy Superintendent             | K. Policy                             |
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## MEMBERS OF THE BOARD OF EDUCATION

Manuel Rodriguez, Jr., *President*  
Wanda Adams, *First Vice President*  
Diana Davila, *Second Vice President*  
Jolanda Jones, *Secretary*  
Rhonda Skillern-Jones, *Assistant Secretary*  
Anna Eastman  
Michael Lunceford  
Greg Meyers  
Harvin C. Moore

Richard A. Carranza, *Superintendent of Schools*

## BOARD OF EDUCATION AGENDA

January 12, 2017

2:00 p.m.

- CALL TO ORDER
- ADJOURNMENT TO EXECUTIVE/CLOSED SESSION FOR THE PURPOSES LISTED UNDER ITEM C
- RECESS

5:00 p.m.

- RECONVENE IN OPEN SESSION
- REGULAR BOARD MEETING CONVENES IN THE BOARD AUDITORIUM
- MEDITATION AND PLEDGE OF ALLEGIANCE
- ELECTION OF OFFICERS
- RECOGNITIONS
- CONSIDERATION AND APPROVAL OF MINUTES FROM PREVIOUS MEETINGS
- TRUSTEE B-1 COMMENTS
- BUSINESS AGENDA

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#### A. SUPERINTENDENT'S PRIORITY ITEMS

- A-1. Approval Of Personal Services Performed By The Superintendent, Including Speaking Engagements, Panel Discussions, Workshops, Etc., In Accordance With Texas Education Code Section 11.201(E)

#### B. BOARD OF EDUCATION

- B-1. Reports and comments from the Board president and Board members regarding meetings and conferences attended, schools visited, community and district activities, new initiatives, education programs, and continuing education.

There will be no action concerning the above items.

- B-2. Approval Of Proposed Revisions To Board Policy BE(LOCAL), Board Meetings—First Reading

- BE(LOCAL), First Reading

- B-3. Approval Of Expenditure For The Run-Off Election On December 10, 2016, For Houston Independent School District Single-Member District VII

- Resolution Ordering Run-Off Election On December 10, 2016

- B-4. Appointment Of A Houston Independent School District Representative To The Tax Increment Reinvestment Zone 14 Board Of Directors

- B-5. Supplemental Agreement with Thompson & Horton LLP for Legislative Services  
- New

**ADJOURNMENT TO CLOSED OR EXECUTIVE SESSION PURSUANT TO SECTIONS 551.004, 551.071, 551.072, 551.074, and 551.083, CHAPTER 551 OF THE TEXAS GOVERNMENT CODE FOR THE FOLLOWING PURPOSES:**

**C. CLOSED SESSION**

**C-1. Personnel**

- a. Deliberate the duties of the superintendent of schools, chief officers, assistant superintendents, principals, employees, chief audit executive, and board members; evaluations of the superintendent and chief audit executive, consideration of compensation, and contractual provisions.
- b. Consider and approve proposed appointments, reassignments, proposed terminations, terminations/suspensions, contract lengths, proposed nonrenewals, renewals, and resignations/retirements of personnel including teachers, assistant principals, principals, chief officers, assistant superintendents, chief audit executive, and other administrators, and, if necessary, approve waiver and release and compromise agreements.
- c. Hear complaints against and deliberate the duties of public officers or employees and resolution of same.

**C-2. Legal Matters**

- a. Matters on which the district's attorney's duty to the district under the Code of Professional Responsibility clearly conflicts with the Texas Open Meetings Law
- b. Pending or contemplated litigation matters and status report
- c. Receive information regarding the Texas Public Information Act
- d. Consideration and authority to settle in the matter of Johnnie Richard, et al v. HISD, et al; in the 270th Judicial District Court, Harris County, Texas; Cause No. 2014-58018
- e. Consideration and approval of Settlement Agreement and Full and Final Release from Liability in the matter of J. N. b/n/f Lorenzo And Christina Norman v. Houston Independent School District; in the U. S. District Court for the Southern District of Texas, Houston, Division; Civil Action No. 4:14-CV-02398
- f. Consideration and authority to settle the Subrogation Lien Of Lisa Clark Against Mario Zepeda And State Farm Insurance For Workers' Compensation Benefits; State Farm Insurance Claim Number 535F90694

- g. Consideration And Authority To Settle The Subrogation Lien Of Gwendolyn Jones Against Tai Nguyen And Metropolitan Lloyds Insurance Company Of Texas For Workers' Compensation Benefits; Metropolitan Lloyds Insurance Company Of Texas Claim Number DAD83905
- h. Consideration And Authority To Settle The Subrogation Lien Of Tridung Tran Against April Graybill And Progressive Insurance For Workers' Compensation Benefits; Progressive Insurance Claim Number 141058853
- i. Consideration And Authority To Settle The Subrogation Lien Of Linnea Opatrny Against Senia Flores And Foremost Insurance Group For Workers' Compensation Benefits; Foremost Insurance Group Claim Number 3004750396-1-2
- j. Consideration And Authority To Settle The Subrogation Lien Of Damian Davis Against Ernest Salazar And Nationwide Mutual Fire Insurance Company For Workers' Compensation Benefits; Claim Number: 78 42 PE 115868 01132015 51

C-3. Real Estate

**D. ACADEMIC SERVICES**

- D-1. Approval Of Current And Anticipated Donations For Districtwide And School-Specific Programs And Authorization To Negotiate, Execute, And Amend Necessary Contracts Associated With These Donations
  - Attachment For Approval Of Donations - *Revised*
- D-2. Acceptance Of Grant Funds In Support Of Districtwide And School-Specific Programs And Authorization To Negotiate And Execute Contracts Required Under The Grants
  - Attachment For Acceptance Of Grants
- D-3. Approval To Submit Seven Innovative-Course Applications To The Texas Education Agency To Establish A Sequence Of Courses At The Eleventh And Twelfth Grade Levels For Maritime, Business, And Emergency Medical Technician

**E. DEPUTY SUPERINTENDENT**

- E-1. Approval Of Contract Renewal With Harris County Protective Services For Children And Adults For Crisis Counseling And Support For Students And Families

**F. STUDENT SUPPORT**

- F-1. Adoption Of A Resolution To Suspend Portions Of EIE(LOCAL), Academic Achievement: Retention And Promotion, For The 2016–2017 School Year
- Resolution To Suspend Portions Of EIE(LOCAL)
- F-2. Approval Of The 2017–2018 Academic Calendar
- HISD 2017–2018 Academic Calendar

**G. HUMAN RESOURCES**

**H. BUSINESS OPERATIONS**

- H-1. Approval To Amend And Increase The Design Contract For Milby High School

**I. FINANCE**

- I-1. Approval Of Consultant And Professional-Service Contracts
- I-2. Approval Of Vendor Awards For Purchases Over \$100,000 And Ratification Of Vendor Awards For Purchases Under \$100,000
- Purchasing Requests - *Revised*
- I-3. Approval Of Resolution For The Issuance Of Lease Revenue Refunding Bonds By The Houston Independent School District Public Facility Corporation; The Execution And Delivery Of An Amended Lease Agreement And Other Related Agreements; And The Authority To Proceed With All Other Necessary Actions For Sale Of The Bonds
- Resolution Approving The Issuance Of Refunding Bonds
- I-4. Approval Of Resolution Authorizing The Issuance, Sale, And Delivery Of Houston Independent School District Maintenance Tax Notes; Approval For The Superintendent, Chief Financial Officer, Or Controller To Sell The Notes, Subject To Stated Parameters; And Authorization To Proceed With All Other Necessary Actions For Sale Of Notes
- Resolution Authorizing Maintenance Tax Notes
- I-5. Approval Of Order Authorizing The Issuance, Sale, And Delivery Of Houston Independent School District Limited Tax Schoolhouse And Refunding Bonds, Series 2017A; And Approval For The Superintendent, Chief Financial Officer, Or Controller To Select Underwriters And Sell The Bonds Subject To Stated Parameters, And To Proceed With All Other Necessary Actions For Sale Of The Bonds
- Order Authorizing Limited Tax Schoolhouse And Refunding Bonds, Series 2017A

I-6. Approval Of Resolution Designating Officers And Administrators Authorized To Act On Behalf Of The Houston Independent School District In All Matters In Connection With Depository Contracts And All Other Banking And Investment Matters

**J. OTHER**

**K. POLICY**

**L. SUPERINTENDENT'S INFORMATION ITEMS**

L-1. Debt Management Activity Report

- Debt Management Activity Report

L-2. Combined Charities Campaign Report

- 2017 Combined Charities Top Contributors List

Office of the Board of Education  
Board of Education Meeting of January 12, 2017

Manuel Rodriguez, President and District III Trustee

**SUBJECT: APPROVAL OF PROPOSED REVISIONS TO BOARD POLICY  
BE(LOCAL), BOARD MEETINGS—FIRST READING**

The following revisions to BE(LOCAL), *Board Meetings*, are recommended:

- At DISCUSSIONS AND LIMITATION, specify that a five-minute limit will apply to board members speaking to an item unless the board votes to extend the limit.

The proposed changes are noted in the attached revised policy.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES MODIFY BOARD POLICY.

RECOMMENDED: That the Board of Education accepts the proposed revisions to Board Policy BE(LOCAL), *Board Meetings*, on first reading.



BOARD MEETINGS

BE  
(LOCAL)

The Board shall hold regularly scheduled meetings and any special or emergency meetings or workshops as it deems necessary. Portions of a meeting where action will not be taken may be conducted with less than a quorum at the discretion of the Board President.

Unless otherwise provided in the notice for a meeting, regular Board meetings shall be held at 4400 West 18th Street, Houston, Texas.

MEETING TIME

Regular meetings of the Board shall be held on the second Thursday of each month at the time specified in the posted agenda for the meeting. When determined necessary and for the convenience of Board members, the Board President may change the date or time of a regular meeting. The notice for that meeting shall reflect the changed date or time.

SPECIAL OR  
EMERGENCY  
MEETINGS

The time and place of special and emergency meetings shall be as set out in the notice for the meeting.

WORKSHOPS

Workshops may be scheduled as deemed appropriate and may be conducted with less than a quorum at the discretion of the Board President. [See BE(LEGAL)]

AGENDA  
PREPARATION

In consultation with the Board President, the Superintendent shall prepare the agenda for all Board meetings. Before the official agenda is posted for any meeting, the Superintendent shall consult the Board President to ensure that the agenda and the topics included meet with the President's approval. The Board President shall ensure all Board members are notified as to any agenda items he or she withdrew, at the time of the withdrawal request and no later than 24 hours prior to the meeting posting, to allow adequate time for Board members to respond to withdrawn items. In reviewing the agenda before posting, the President shall ensure that any topics the Board, or at least three members of the Board, have requested to be addressed are either on the agenda for the first regular meeting that is at least seven calendar days after the date the President receives the request, or on the agenda for a special or emergency meeting if the President determines that the item requires immediate consideration and should be communicated to the public in accordance with state law, Government Code 551.043(b) [see BE(LEGAL)].

NOTICE TO MEMBERS

Members of the Board shall be given notice of regular and special meetings at least 72 hours prior to the scheduled time of the meeting and at least two hours prior to the time of an emergency meeting.

BOARD MEETINGS

BE  
(LOCAL)

CLOSED MEETING	Notice of all meetings shall provide for the possibility of a closed meeting during an open meeting, as provided by law. [See BEC (LEGAL)]
ORDER OF BUSINESS	<p>The order of business for regular Board meetings shall be as set out in the agenda accompanying the notice of the meeting. The order in which posted agenda items are taken may be changed by consent of all Board members present.</p> <p>The Board may conduct a closed meeting when the agenda subject is one that may properly be discussed in closed meeting. [See BEC(LEGAL)]</p>
CALLING SPECIAL MEETINGS	The President of the Board shall call a special meeting at the President's discretion or on request by three or more members of the Board.
CALLING EMERGENCY MEETINGS	The President shall call an emergency meeting when the President or three or more members of the Board determine that an emergency or urgent public necessity, as defined by the Open Meetings Act [see BE(LEGAL)], warrants the meeting.
RULES OF ORDER	The Board shall observe the parliamentary procedures as found in <i>Robert's Rules of Order, Newly Revised</i> , except as otherwise provided in Board procedural rules or by law. Procedural rules may be suspended at any Board meeting by majority vote of the members present.
BOARD MEMBERS' REQUESTS FOR INFORMATION	Requests by Board members for information on the operation of the District shall be addressed to the Superintendent. If the information is not readily available or would require administrative staff time to prepare, the Superintendent may refer the request to the full Board at a subsequent meeting, for direction. [See also BBE(LOCAL)]
VOTING	Voting shall be by voice vote, show of hands, or electronic voting system, as directed by the President. Any member may abstain from voting, and a member's vote or failure to vote shall be recorded upon that member's request. [See BDAA(LOCAL) for the Board President's voting rights]
MINUTES	<p>Board action shall be carefully recorded by the secretary or clerk; when approved, these minutes shall serve as the legal record of official Board actions. The written minutes of all meetings shall be approved by vote of the Board and signed by the President and the Secretary of the Board.</p> <p>The official minutes of the Board shall be retained on file in the Office of Board Services and shall be available for examination during regular office hours.</p>

BOARD MEETINGS

BE  
(LOCAL)

DISCUSSIONS AND  
LIMITATION

Discussions shall be addressed to the President of the Board and then the entire membership. Discussion shall be directed solely to the business currently under deliberation, and the Board President shall halt discussion that does not apply to the business before the Board.

~~The Board President shall also halt discussion if the Board has agreed to a time limitation for discussion of an item, and that time limit has expired. Aside from these limitations, the President shall not interfere with debate so long as members wish to address themselves to an item under consideration.~~

A Board member may speak for a maximum of five minutes to address an item that is before the Board for consideration. When first recognized to address an item, a Board member may use his or her entire allotted time. If a Board member does not use his or her entire allotted time the first time the member is recognized to speak, the member may be recognized to address the item a second time for the remainder of the member's allotted time after all other Board members wishing to address the item have had an opportunity to speak at least once. A Board member may not give or yield any portion of his or her allotted time to another Board member. The Board may vote to extend the allotted time for a Board member, or for all Board members, to address an item that is before the Board for consideration.

CONDUCT DURING  
BOARD MEETINGS

Persons attending a meeting of the Board shall conduct themselves in an appropriate manner and shall not engage in conduct that disrupts or interferes with the proceedings. Failure to adhere to the required standards of conduct may result in removal of the responsible persons from the premises and may subject such persons to criminal penalties as provided in the Texas Penal Code.

PROHIBITED  
CONDUCT

The following conduct has been determined by the Board to constitute disruptive behavior and is, therefore, prohibited:

1. Possessing a weapon at the meeting;
2. Waving or displaying signs, placards, posters, or banners in such a manner as to pose a potential safety hazard or disrupt the proceedings;
3. Applauding, booing, cheering, or making other audible expressions of approval or disapproval in a loud and/or raucous manner calculated to disrupt the meeting; or
4. Using profane or vulgar language or gestures during presentation to, or interaction with, the Board.

BOARD MEETINGS

BE  
(LOCAL)

VIOLATIONS

Any violation of the standards of behavior shall result in a warning. Failure to refrain from engaging in the prohibited conduct upon receipt of a warning shall result in removal of the responsible person(s) from the auditorium and may subject such person(s) to criminal penalties as provided in the Texas Penal Code.

Office of the Board of Education  
Board of Education Meeting of January 12, 2017

Manuel Rodriguez, President and District III Trustee

**SUBJECT: APPROVAL OF EXPENDITURE FOR THE RUN-OFF ELECTION ON  
DECEMBER 10, 2016, FOR HOUSTON INDEPENDENT SCHOOL  
DISTRICT SINGLE-MEMBER DISTRICT VII**

State election law requires that the Houston Independent School District (HISD) Board of Education approves polling locations for the election of trustees, and HISD regulation requires that the board approves contracts for more than \$50,000.

At the November 18, 2016, special meeting of the HISD Board of Education, the board approved a resolution ordering a run-off election for HISD Geographic District VII for a joint election to be conducted with Harris County on December 10, 2016, for the purpose of electing a trustee from single-member Geographic District VII. This order of election included a list of polling locations provided by Harris County.

At the December 8, 2016, regular meeting of the HISD Board of Education, the board approved an amended resolution which included a complete list of polling locations from Harris County.

Since December 8, 2016, Harris County has provided the cost of the run-off election in District VII, and this information has been added at COST/FUNDING SOURCE(S). The board must approve this expenditure.

The resolution ordering the run-off election, as approved by the board on December 8, 2016, is attached.

**COST/FUNDING SOURCE(S):** The total cost of the election is not expected to exceed \$103,196.32 and will be funded by districtwide funds.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/ Work Breakdown Structure	Amount
General Funds	1999000001	1090800003	41990000000000	6439000000	N/A	\$103,196.32

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 5: Improve Public Support and Confidence in Schools and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

**RECOMMENDED:** That the Board of Education approves the expenditure for the run-off election on December 10, 2016, for HISD Board of Education single-member district VII, effective January 13, 2016.

**RESOLUTION ORDERING HOUSTON INDEPENDENT SCHOOL DISTRICT RUN-OFF ELECTION FOR TRUSTEE DISTRICT VII**

STATE OF TEXAS           §  
                                       §  
 COUNTY OF HARRIS       §

**WHEREAS**, a special election of the trustees of the Houston Independent School District was held on the eighth day of November, 2016, for the purpose of electing a trustee to fill the position in Geographic District VII previously held by Harvin Moore;

**WHEREAS**, Article 2774b, Vernon's Annotated Texas Civil Statutes, provides that the election of trustees of the Houston Independent School District ("HISD") shall be by majority vote; and

**WHEREAS**, the Board of Education finds that the November 8, 2016, special election was duly ordered and called; that notice was given in accordance with the law; that the official election returns have been canvassed as required by law and filed with the Secretary of the Board of Education; that only qualified voters of Geographic District VII voted in the election; and that no candidate received a majority vote for the position in Geographic District VII on the Board of Education.

**NOW, THEREFORE, BE IT RESOLVED AND ORDAINED** by the Board of Education of the Houston Independent School District:

1. That a run-off election between the two candidates receiving the highest number of votes for Geographic District VII at the election on November 8th be held between the hours of 7:00 a.m. and 7:00 p.m. on December 10, 2016, for the purpose of electing one trustee to fill the unexpired term in Geographic District VII.
2. The election shall be conducted in accordance with the laws of this State, including specifically Article 2774b as amended, and only qualified voters of the Houston Independent School District residing within Geographic District VII shall be eligible to vote at the election.
3. That said election shall be administered by Harris County pursuant to Chapter 31 of the Texas Election Code; and further, be it noted that, in setting the run-off election date, the Board of Education took into consideration the date other entities (with run-off elections similarly being administered by Harris County) set for their run-off elections.
4. The order in which the names of the candidates are to be printed on the ballot shall be determined by lot through a drawing held at the District's Office of Board Services on

November 18, 2016, as provided by Section 52.094 of the Texas Election Code. The District shall post notice of the date, hour, and place of the drawing on the bulletin board used for the notices of meetings of the Board of Education of the District. The notice shall remain posted continuously for at least twenty-four (24) hours immediately preceding the scheduled time of the drawing. The District shall also mail notice of the date, hour, and place of the drawing to each candidate, at the address stated on the candidate's application for a place on the ballot, not later than the fourth (4th) day before the day of the drawing. Each candidate involved in the drawing, or a representative designated by him or her, shall have a right to be present at the drawing and to draw for a position on the ballot.

5. The polling places for the run-off election shall be open for voting from 7:00 a.m. to 7:00 p.m. on December 10, 2016.

6. The following polling places in election precincts that contain territory lying within Geographic District VII or parts thereof are hereby designated as polling places for the election:

<b>Geographic District VII</b>	<b>Precinct No.</b>	<b>Run-Off Election Day Polling Location</b>
	0037, 0038	Woodrow Wilson Elementary School 2100 Yupon Street Houston, TX 77006-1830
	0054, 0730, 0902	Resurrection Metropolitan Community Church 2025 West 11th Street Houston, TX 77008-6320
	0070, 0710	Saint Lukes Missionary Baptist Church 714 Detering Street Houston ,TX 77007-5195
	0086, 0179, 0204, 0299	Sinclair Elementary School 6410 Grovewood Lane Houston, TX 77008
	0129, 0435	Briargrove Elementary School 6145 San Felipe Street Houston, TX 77057-2801
	0135, 0434	Hampton Inn Galleria 4500 Post Oak Parkway Houston, TX 77027-3419
	0139	Lamar Senior High School 3325 Westheimer Road Houston ,TX 77098-1003



Geographic District VII	Precinct No.	Run-Off Election Day Polling Location
	0177, 0178	Looscan Branch Library 2510 Willowick Road Houston ,TX 77027-3936
	0200	West Gray Adaptive Recreation Center 1475 West Gray Street Houston ,TX 77019-4926
	0213, 0303	Vosswood 815 South Voss Road Houston ,TX 77057-1031
	0217, 0227	River Oaks Elementary School 2008 Kirby Drive Houston ,TX 77019-6016
	0233	Four Points by Sheraton Houston Greenway Plaza 2828 Southwest Freeway Houston ,TX 77098
	0234, 0269	Crowne Plaza Houston Galleria Area 7611 Katy Freeway Houston ,TX 77024
	0272, 0432	Pilgrim Academy 6302 Skyline Drive Houston ,TX 77057-6902
	0282, 0312	Mark White Elementary School 2515 Old Farm Road Houston, TX 77063
	0431	Burnett Bayland Community Center 6200 Chimney Rock Drive Houston ,TX 77081
	0436, 491	Tanglewood Middle School 5215 San Felipe Street Houston ,TX 77056-3605
	0567	Vietnamese Community Center 7100 Clarewood Drive Houston ,TX 77036-4402

Geographic District VII	Precinct No.	Run-Off Election Day Polling Location
	0569	Saint George Place Elementary School 5430 Hidalgo Street Houston ,TX 77056-6211

7. Requests for ballots by mail should be directed in writing to Stan Stanart, Harris County Clerk, Attn: Elections Division, P.O. Box 1148, Houston, Texas 77251-1148. Requests for ballots by mail must be received no later than the close of business on November 29, 2016.

8. Early voting by personal appearance will be held November 30, 2016, through December 6, 2016, excluding Saturday, December 3, 2016, and Sunday, December 4, 2016, Early voting by personal appearance shall take place from 8:00 a.m. to 4:30 p.m. on November 30, 2016, December 1, 2016, and December 2, 2016, and from 7:00 a.m. to 7:00 p.m. on December 5, 2016 and December 6, 2016, and will be conducted at the following locations:

Harris County Administration Building  
1001 Preston, 1<sup>st</sup> Floor  
Houston, Texas 77002

Harris County Public Health Environmental Service  
2223 West Loop South  
Houston, Texas 77027

Metropolitan Multi-Service Center  
1475 West Gray  
Houston, Texas 77019

9. All voting at the election shall be by the method provided by the Commissioners' Court of Harris County, Texas, for use in elections held in Harris County, Texas, under the conditions provided for by contract between Harris County and the Houston Independent School District.

10. Board Services Manager, Veronica Mabasa, in consultation with the Superintendent of Schools, and HISD Office of Legal Services, is hereby authorized to make all necessary arrangements for the holding of said election and to serve as the District's representative to coordinate with the Harris County Elections Administrator in conducting the election in accordance with the laws of this State.

11. The candidate receiving the majority of the votes cast for District VII shall be deemed to be elected and be entitled to serve as trustee.

12. The results of the election shall be canvassed by the Board in accordance with the Texas Election Code and Article 2774b at a meeting called by the Board in accordance with the requirements of the Texas Open Meetings Act.

13. The candidate elected to office shall enter upon the discharge of his or her duties at the first regular meeting of the Board after the run-off election, and shall serve for the unexpired term in District VII, ending on December 31, 2017.

14. All election materials including the notice of election, ballots, instruction cards, affidavits, and other forms which the voter may be requested to sign, and all early voting materials, shall be printed in English, Spanish, Chinese, and Vietnamese, or Spanish, Chinese, and Vietnamese translations thereof shall be made available in the circumstances permitted and the manner required by law.

15. The official ballots for the election shall be prepared in accordance with the Texas Election Code, and Article 2774b. All candidates shall be designated on the official ballot according to the number of the geographic district in which the candidate resides. The official ballot shall have printed on it the following:

**Houston ISD Run-Off Election for Trustee District VII**

16. This Resolution and Order shall constitute the election order for the call of the run-off election herein described, and the same or a substantial copy of this Order shall serve as proper notice of the election. The notice, including a Spanish, Chinese and Vietnamese translation, shall be published at least one time not less than ten (10) days before the day of the election in a newspaper of general circulation in the District and posted not later than the 15<sup>th</sup> day before election day, and remain posted continuously through election day, on the bulletin board used for notices of meetings of the Board of Education. The District shall deliver notice of this election to the Harris County Clerk as soon as practicable.

PASSED AND APPROVED, this 8<sup>th</sup> day of December, 2016.

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Jolanda Jones, Secretary  
Board of Education  
Houston Independent School District

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Manuel Rodriguez Jr., President  
Board of Education  
Houston Independent School District



Office of the Board of Education  
Board of Education Meeting of January 12, 2017

Manuel Rodriguez, President and District III Trustee

**SUBJECT: APPOINTMENT OF A HOUSTON INDEPENDENT SCHOOL DISTRICT  
REPRESENTATIVE TO THE TAX INCREMENT REINVESTMENT ZONE  
14 BOARD OF DIRECTORS**

The Houston Independent School District (HISD) participates in 16 tax increment reinvestment zones (TIRZ) with the City of Houston. As a participant, HISD is entitled to appoint a representative to the board of directors of each zone, upon the preceding director's term expiration.

This agenda item is to authorize appointment of the following representative to a two-year term of service on the indicated TIRZ board of directors:

- Adrian Garcia – TIRZ 14 (Fourth Ward): The term will expire in June 2018.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 5: Improve Public Support and Confidence in Schools and aligns to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the appointment of a representative to the TIRZ 14 board of directors, effective January 13, 2017.

Office of the Board of Education  
Board of Education Meeting of January 12, 2017

Manuel Rodriguez, President and District III Trustee

**SUBJECT: SUPPLEMENTAL AGREEMENT WITH THOMPSON & HORTON LLP  
FOR LEGISLATIVE SERVICES**

The 85<sup>th</sup> Texas Legislature convened on January 10, 2017. Thompson & Horton LLP assists the Houston Independent School District (HISD) Board of Education and HISD Governmental Relations with informing members of the Texas Legislature of HISD priorities and the impact of various legislative proposals on HISD. In addition to the regular work and assistance provided by the firm, Thompson & Horton LLP is employing for this legislative session former Representative Jimmie Don Aycock, who has served as Chairman of the House Public Education Committee. Chairman Aycock will assist Thompson & Horton LLP in representing HISD concerning public school funding, recapture, and options to reduce the impact of recapture on HISD students, programs, and taxpayers. The cost to the district for Chairman Aycock's assistance during the 85<sup>th</sup> Texas Legislature, Regular Session, is proposed not to exceed \$25,000. If issues relating to public school funding and recapture are not resolved during the Regular Session, and if such issues are considered during any subsequent special session, then additional authorization to continue Chairman Aycock's assistance may be brought to the board for consideration at that time. The term of this supplemental agreement is from January 12, 2017, through June 1, 2017.

**COST/FUNDING SOURCE(S):** The total cost for this agreement is not to exceed \$25,000.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/ Work Breakdown Structure	Amount
General Funds	1993000000	1070811000	AD41990000000000	6214000000	700000000139	\$25,000

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 5: Culture of Trust through Action.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

RECOMMENDED: That the Board of Education authorizes the superintendent to negotiate and execute a Supplemental Agreement with Thompson & Horton LLP for Legislative Services During the 85<sup>th</sup> Legislative Session in an amount not to exceed \$25,000, effective January 13, 2017.

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Academic Services  
Grenita Lathan, Chief Academic Officer

**SUBJECT: APPROVAL OF CURRENT AND ANTICIPATED DONATIONS FOR DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE, EXECUTE, AND AMEND NECESSARY CONTRACTS ASSOCIATED WITH THESE DONATIONS**

In accordance with board policy, all donations in aggregate of \$5,000 or more must be approved by the Houston Independent School District (HISD) Board of Education.

The attachment reflects a summary of proposed donations.

**COST/FUNDING SOURCE(S):** Shown on the attached list.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 1: Increase Student Achievement and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves the proposed donations for districtwide and school-specific programs and authorizes the superintendent or a designee to negotiate, execute, and amend necessary contracts, effective January 13, 2017.

## SUMMARY OF DONATIONS GREATER THAN \$5,000

Donor	Receiving School/ Department	Donation Disbursement
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Scholastic Education	Curriculum and Development	Professional Development
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Total Value of Donation	<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>Internal Order</u>
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\$6,970.97 (in-kind)

Scholastic Education, Inc., will provide a professional learning series of three nationally recognized educators and authors. The speakers will provide two sessions each day for teachers who are practicing and improving Literacy By 3 in their classrooms. This in-kind donation supports Houston Independent School District (HISD) Core Initiative 3: Rigorous Instructional Standards and Supports. This donation may only be used as specified.

Herod Parent Teacher Organization (PTO)	Herod Elementary School (ES)	Technology Supplies
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Total Value of Donation	<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>Internal Order</u>
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\$7,750	4990020000	1012173000	PS11110000000000	664901000000	600000001044
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Herod PTO has donated \$7,750 to Herod ES. This donation supports HISD Core Initiative 3: Rigorous Instructional Standards and Supports, and Core Initiative 5: Culture of Trust through Action. These funds were donated to purchase Chromebooks for student use in the school's computer lab. These funds may only be used as specified.

River Oaks Rotary/Charitable Trust	Northside High School (HS)	Debate Club Student Activity
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Total Value of Donation	<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>Internal Order</u>
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\$27,490	4990020000	1014003000	PS36990000000000	6499010000	60000000180
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The River Oaks Rotary/Charitable Trust has donated \$27,490 to Northside HS to fund activities of the campus's Debate Club. This donation supports HISD Core Initiative 3: Rigorous Instructional Standards and Supports, and Core Initiative 5: Culture of Trust through Action. These funds may only be used as specified.



## SUMMARY OF DONATIONS GREATER THAN \$5,000

Donor	Receiving School/ Department	Donation Disbursement
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Texas A&M University	College Readiness	Payroll/Personnel
Total Value of Donation	<u>Fund</u>	<u>Cost Center</u> <u>Functional Area</u> <u>General Ledger</u> <u>Internal Order</u>
\$100,000 (in-kind)		

Texas A&M University has provided an in-kind donation of \$100,000 to the College Readiness Department. These funds will pay for four Advise TX advisors, who will be placed at four high-school campuses (Westbury, Waltrip, Barbara Jordan, and Sterling) to assist students 20 hours a week with post-secondary advising and assistance with applying and submitting college, financial aid, and scholarship applications. This donation supports HISD Core Initiative 3: Rigorous Instructional Standards and Supports, and Core Initiative 5: Culture of Trust through Action. These funds may only be used as specified.

Maffei Foundation, Inc., through the HISD Foundation	Brookline ES	Brookline Library Project
Total Value of Donation	<u>Fund</u>	<u>Cost Center</u> <u>Functional Area</u> <u>General Ledger</u> <u>Internal Order</u>
\$11,000	4990020000	1012228000   PS12110000000000   6669000000   600000001415

The Maffei Foundation, Inc., donated \$11,000 to Brookline ES to support the capital campaign to transform the school library, which includes purchasing books, technology, and furniture. This donation supports HISD Core Initiative 4: Data-Driven Accountability. These funds may only be used for the reason specified.

GE Global Operations	Foster ES	Toys for Christmas
Total Value of Donation	<u>Fund</u>	<u>Cost Center</u> <u>Functional Area</u> <u>General Ledger</u> <u>Internal Order</u>
\$5,000 (in-kind)		

GE Global Operations has provided an in-kind donation of ~~toys valued at~~ \$5,000 to Foster ES ~~to purchase toys~~ for students for Christmas. The toys were distributed to the students during the 2016 Christmas season. This donation supports HISD Core Initiative 5: Culture of Trust through Action. These funds may only be used as specified.

**Total Value of Grants: \$158,210.97**

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Academic Services  
Grenita Lathan, Chief Academic Officer

**SUBJECT: ACCEPTANCE OF GRANT FUNDS IN SUPPORT OF DISTRICTWIDE AND SCHOOL-SPECIFIC PROGRAMS AND AUTHORIZATION TO NEGOTIATE AND EXECUTE CONTRACTS REQUIRED UNDER THE GRANTS**

In accordance with board policy, all grant funds in aggregate of \$5,000 or more must be approved by the Houston Independent School District (HISD) Board of Education.

The attachment reflects a summary of grants awarded to HISD.

**COST/FUNDING SOURCE(S):** Shown on the attached list.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 1: Increase Student Achievement and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education accepts the proposed grant funds for districtwide and school-specific programs and authorizes the superintendent of schools or designee to negotiate and execute contracts required under the grants, effective January 13, 2017.

## SUMMARY OF GRANTS GREATER THAN \$5,000

Grantor	Receiving School/ Department	Grant Disbursement
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Good Sports Inc.	Heights High School (HS)	Athletic Supplies
Total Value of Grant	<u>Fund</u>	<u>Cost Center</u>
		<u>Functional Area</u>
		<u>General Ledger</u>
		<u>Internal Order</u>
\$6,684.70 (In-kind)		

Good Sports Inc. has awarded Heights HS a total of \$6,684.70 in athletic supplies to promote and support student participation in sports. Good Sports Inc.'s main objective is to get as many children off the sidelines as possible and into participating in sports to promote physical fitness and a healthy lifestyle. The grant supports Houston Independent School District (HISD) Core Initiative 3: Rigorous Instructional Standards and Supports, and Core Initiative 5: Culture of Trust through Action. The awarded supplies can only be used for the purpose intended.

Code.org	Advanced Academics	Computer Science Education Program
Total Value of Grant	<u>Fund</u>	<u>Cost Center</u>
		<u>Functional Area</u>
		<u>General Ledger</u>
		<u>Internal Order</u>
\$8,000	4990010002	1060921000
		PS13990000000000
		6119030000
		600000001126

Code.org has established a comprehensive program of instruction, curricula, and assessments for K–12 computer-science education and supports a network of school districts and public/private sector collaborators. The purpose of this funding is for extra-duty pay for two cohorts of schools and teachers to participate in the Code.org professional development program. The program is designed to provide educators with the opportunity to increase their depth of content knowledge, skills, pedagogy related to inquiry, equity, and specific Code.org course instruction. Cohort 1 participated in the program from spring 2015 through summer 2016 and Cohort 2 is participating in the Code.org program from spring 2016 through summer 2017. These additional dollars support the \$53,532.50 already provided from Code.org, for a total of \$61,532.50. These funds may only be used as specified.

**Total Value of Grants: \$14,684.70**

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Academic Services  
Grenita Lathan, Chief Academic Officer

**SUBJECT: APPROVAL TO SUBMIT SEVEN INNOVATIVE-COURSE APPLICATIONS TO THE TEXAS EDUCATION AGENCY TO ESTABLISH A SEQUENCE OF COURSES AT THE ELEVENTH AND TWELFTH GRADE LEVELS FOR MARITIME, BUSINESS, AND EMERGENCY MEDICAL TECHNICIAN**

The Houston Independent School District (HISD) Board of Education is requested to approve submission of seven innovative-course applications to the Texas Education Agency.

- The Emergency Medical Technician (EMT) basic course will provide eleventh- or twelfth-grade students who are engaged in the firefighter coursework an opportunity to learn the principles, theory, and practices associated with firefighting and emergency services leadership and management, as well as prepare students to earn the state EMT certification. The course has been designed in partnership with the Houston Fire Department.
- The Principles of Maritime Science course is designed to instruct ninth-grade students in the principles of maritime science as outlined by the Code of Federal Regulations directly related to the National Maritime Center and the Merchant Mariner Credentialing Program. Students enrolled in this course will identify specific career opportunities and skills, abilities, tools, certifications, and safety measures associated with maritime careers.
- The Maritime Science 1 course will build on the foundational knowledge acquired previously in Principles of Maritime Science. This course is designed to instruct tenth-grade students on advanced aspects of vessel navigation, safety, and voyage planning. Students will learn safety expectations, laws, and environmental and human factors involved in the maritime industry.
- The Maritime Science 2 course will enable eleventh-grade students who complete it successfully to plan and execute safe vessel navigation. Students will become familiar with all bridge navigation equipment and procedures, and will use case studies and real world simulations to identify the contributing factors involved in maritime accidents.
- Introduction to Shipboard Engineering will train eleventh- or twelfth-grade students for entry-level employment or continuing education in shipboard engineering and merchant mariner credentialing. This course will build on the foundational knowledge previously acquired in the Principles of Maritime Science course.
- The Advanced Shipboard Engineering course will provide twelfth-grade students advanced knowledge of the function, design, and relationships of the systems and components of propulsion and habitability systems. This course will build on

knowledge and skills established in the Principles of Maritime Science and Introduction to Shipboard Engineering courses.

- The Retail Management course concentrates on the distribution and selling of products to consumers using various vending points such as brick-and-mortar stores, online sites, chain stores, markets, and malls. This course focuses on retailers' responsibilities during everyday operations to maintain, innovate, and operate a successful retail store or department.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 1: Increase Student Achievement and is aligned to Core Initiative 3: Rigorous Instructional Standards and Supports.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves submitting seven innovative course applications to the Texas Education Agency, effective January 13, 2017.

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of the Deputy Superintendent  
Samuel Sarabia, Deputy Superintendent

**SUBJECT: APPROVAL OF CONTRACT RENEWAL WITH HARRIS COUNTY PROTECTIVE SERVICES FOR CHILDREN AND ADULTS FOR CRISIS COUNSELING AND SUPPORT FOR STUDENTS AND FAMILIES**

This agenda item seeks approval from the Houston Independent School District (HISD) Board of Education for the superintendent of schools or a designee to negotiate and execute a contract renewal with Harris County Protective Services for Children and Adults (HCPSCA).

The contract agreement is to offer a community youth services program at three HISD campuses: Park Place Elementary School (ES), Meyerland Performing and Visual Arts Middle School (MS), and Westbury High School (HS). Each program is overseen by a community youth services specialist who provides crisis counseling and consultation services for students and families, as well as referrals to additional county services and supports as needed. In addition, the youth services specialist serves as a liaison between HCPSCA, Harris County Juvenile Probation, and HISD. The funds that each participating campus is contributing to this work are matched by additional funding from the HCPSCA.

**COST/FUNDING SOURCE(S):** The total HISD cost for this work is \$115,124.88 and will be funded by each supported campus's General Revenue funding. The cost per campus is not to exceed \$38,374.96.

Fund Source	Fund	Cost Center	Functional Area	General Ledger	Internal Order/ Work Breakdown Structure	Amount
1014017000	1991010001	N/A	PS311100000000000	6299000000	N/A	\$38,374.96
1013055000	2110000000	N/A	PS313000000000000	6299000000	500000001834	\$38,374.96
1012214000	199101001	1012214000	PS311100000000000	6299000000	N/A	\$38,374.96

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 3: Provide a Safe Environment, and HISD Goal 6: Create a Positive District Culture.

**THIS ITEM DOES REQUIRE CONSULTATION.**

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the contract renewal for crisis counseling and support services from HCPSCA at Park Place ES, Westbury HS, and Meyerland Performing and Visual Arts MS, effective January 13, 2017.

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Student Support  
Mark Smith, Chief Student Support Officer

**SUBJECT: ADOPTION OF A RESOLUTION TO SUSPEND PORTIONS OF EIE(LOCAL), ACADEMIC ACHIEVEMENT: RETENTION AND PROMOTION, FOR THE 2016–2017 SCHOOL YEAR**

The state's student assessment testing calendar for the 2016–2017 school year reflects a continuation of the prior year's delayed testing dates and reporting timelines for the 2017 State of Texas Assessments of Academic Readiness (STAAR) for grades three through eight. Specifically, the STAAR administration dates for the following grade levels and subjects are, once again, moved from April to May:

- grades three, four, six, and seven mathematics and reading
- grades five and eight math and reading retest
- grades five and eight science
- grade eight social studies

The Houston Independent School District (HISD) administration supports the state's student assessment calendar because it provides students with greater opportunities for learning through additional time for instruction. However, the later testing dates will alter report dates of STAAR results. HISD expects to receive reports for the May 2017 (second administration) STAAR results for grades five and eight mathematics and reading assessments by May 30, 2017. Reports for all other 2017 STAAR results for grades three through eight tests are expected by June 14, 2017.

Because of the delay in reporting of STAAR test results for grades three, four, six, and seven in mathematics and reading until June 14, 2017, the HISD Board of Education is requested to approve the suspension of a portion of EIE(LOCAL), *Academic Achievement: Retention and Promotion*, specifically paragraph 2b at PROMOTION STANDARDS which pertains to the use of STAAR data in grade-level promotion or retention decisions:

*“b. At grades 3 through 8, meet the state's passing standards on the state-administered criterion-referenced assessment in reading and mathematics.”*

No local policy suspension is requested for grades five and eight because Texas Education Code §28.0211, also known as the Student Success Initiative (SSI), supersedes local policy. SSI requires fifth- and eighth-grade students to meet the passing standard on STAAR in mathematics and reading in order to be promoted to the next grade level. Reports of those test results are expected by May 30, 2017, at which time decisions regarding student promotion/retention and participation in accelerated instruction/summer school will be made. Please note, all HISD employees who must



participate in these decisions will be compensated for their time, including teachers whose last work day for the regular school year is May 26, 2017.

In the near term, the administration will work closely with the board to revise EIE(LOCAL), in accordance with the board's direction, to prioritize instructional focus on academic supports and interventions needed for students' success and to avoid the need for future suspensions of this policy as a result of logistics related to promotion/retention decisions that are dependent upon data that is not available until after the end of the school year.

A copy of the proposed resolution is attached.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 5: Improve Public Support and Confidence in Schools and HISD Goal 6: Create a Positive District Culture, and is aligned to Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education adopts a resolution to suspend portions of EIE(LOCAL), *Academic Achievement: Retention and Promotion*, for the 2016–2017 school year, effective January 13, 2017.

**RESOLUTION  
OF THE BOARD OF EDUCATION TO SUSPEND PORTIONS OF EIE(LOCAL),  
ACADEMIC ACHIEVEMENT: RETENTION AND PROMOTION, FOR THE 2016–2017  
SCHOOL YEAR ONLY**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

WHEREAS, Section 28.0211 of the Texas Education Code states that a student may not be promoted to the sixth-grade program which would otherwise be assigned if the student does not perform satisfactorily on the fifth-grade mathematics and reading assessment instruments under Section 39.023; or the ninth-grade program to which the student would otherwise be assigned if the student does not perform satisfactorily on the eighth-grade mathematics and reading assessment instruments under Section 39.023;

WHEREAS, the Houston Independent School District EIE(LOCAL) policy requires students at grades three through eight meet the state's passing standards on the state-administered criterion-referenced assessment in reading and mathematics;

WHEREAS, the Texas Education Agency has published the state's 2016–2017 student assessment testing calendar wherein reporting of test results on the state-administered criterion-referenced assessment for grades three, four, six, and seven are scheduled to be received by districts by June 14, 2017;

NOW THEREFORE BE IT RESOLVED that the Houston Independent School District Board of Education shall suspend, for the 2016–2017 school year only, the portions of EIE(LOCAL) that require students in grades three, four, six, and seven to meet the state's passing standards on the state-administered criterion-referenced assessment in reading and mathematics.

PASSED, APPROVED, and ADOPTED this \_\_\_\_\_ day of January, 2017.

\_\_\_\_\_  
President  
Board of Education  
Houston Independent School District

Attest:

\_\_\_\_\_  
Secretary  
Board of Education  
Houston Independent School District

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Student Support  
Mark Smith, Chief Student Support Officer

**SUBJECT: APPROVAL OF THE 2017–2018 ACADEMIC CALENDAR**

This item seeks approval of the Houston Independent School District (HISD) 2017–2018 academic calendar. The District Calendar Committee (DCC) and the District Advisory Committee (DAC) advised the administration in developing two calendar options that follow five guiding principles initially established in 2007:

1. Maximize the number of instructional days prior to testing
2. Align the K–12 calendar to higher education calendars
3. Extend the second semester to account for the number of instructional days used for testing
4. Establish a two-week winter break
5. Recognize traditional HISD holidays

The first option (Draft A) aligns with previous years, in which students, teachers, and staff would get three days off for Thanksgiving (November 22–24, 2017) with school ending on May 31, 2018, for students and June 1, 2018, for teachers.

The second option (Draft B) would give students, teachers, and staff the full week of Thanksgiving off (November 20–24, 2017) with school ending on June 1, 2018, for students and June 4, 2018, for teachers.

Both calendar options retain other traditional HISD holidays, with the exception of the Fall Holiday on Draft B, which becomes a teacher service day and student-only holiday. Teachers have the option to fulfill all teacher service days, including Fall Holiday, with previously earned professional-development hours.

A public survey of these two calendar options was taken online from November 8 to November 30, 2016. The survey, available in four languages (Vietnamese, Arabic, Spanish, and English), was publicized by email, text messages, phone calls, district and school websites, letters to parents, and across a variety of social media platforms. More than one-third of respondents self-identified as parents, another third identified themselves as students, and the final third identified themselves as either community members, teachers, principals, or other HISD employees. In total, out of more than 75,000 total survey responses, approximately 90% favor Draft B. Draft B of the 2017–2018 academic calendar is proposed to the Board of Education for approval.

Features of the proposed 2017–2018 academic calendar include:

- 174 days of instruction and 13 service/preparation days for teachers
- Five early-dismissal days: September 21, October 20, and November 10, 2017, and January 26 and February 23, 2018
- The following holidays:
  - Labor Day: September 4, 2017
  - Fall Holiday: September 22, 2017
  - Thanksgiving: November 20–24, 2017
  - Winter Break: December 25, 2017–January 5, 2018
  - Martin Luther King, Jr., Holiday: January 15, 2018
  - Spring Break: March 12–16, 2018
  - Spring Holiday: March 30, 2018
  - Memorial Day: May 28, 2018

In addition, the impact of the state's 2017–2018 drafted testing calendar and proposed reporting dates were contemplated prior to offering this recommendation. Results from the second test administration for Student Success Initiative grade levels and subjects are tentatively scheduled to be received by May 29, 2018. That is five working days before the last day of school for teachers on June 4, 2018. All HISD employees who must participate in the decision-making process regarding student promotion/retention and accelerated instruction/summer school will be compensated for their time.

The proposed academic calendar for school year 2017–2018 is attached.

COST/FUNDING SOURCE(S):               None

STAFFING IMPLICATIONS:               None

ORGANIZATIONAL GOALS/IMPACT:   This agenda item supports HISD Goal 1: Increase Student Achievement and is not aligned to a core initiative, but is ministerial for compliance purposes only.

THIS ITEM DOES REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the HISD 2017–2018 academic calendar, effective January 13, 2017.

# HISD 2017-2018 Academic Calendar

Houston Independent School District

JULY 2017						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	30					

AUGUST 2017						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER 2017						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

OCTOBER 2017						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER 2017						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

DECEMBER 2017						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

JANUARY 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			





FEBRUARY 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL 2018						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE 2018						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Key		Holidays		
	Holidays	September 4, 2017	Labor Day	
	Early Dismissal Days (3 hours early)	September 22, 2017	Fall Holiday	
	Teacher Service Days (no students)	November 20-24, 2017	Thanksgiving	
	Teacher Preparation Days (no students)	December 25, 2017 - January 5, 2018	Winter Break	
		January 15, 2018	Martin Luther King, Jr. Day	
		March 12-16, 2018	Spring Break	
		March 30, 2018	Spring Holiday	
		May 28, 2018	Memorial Day	
Significant Dates		Grading Periods		
August 14, 2017	Teachers report to work	<b>6 Cycles</b>	<b>Report Card Dates</b>	
August 28, 2017	First day of school	Aug 28 - Oct 6	28 days	October 13, 2017
December 21, 2017	Last day of first semester	Oct 9 - Nov 10	25 days	November 17, 2017
January 8, 2018	First day of second semester	Nov 13 - Dec 21	24 days	January 12, 2018
June 1, 2018	Last day of school for students	Jan 8 - Feb 16	29 days	February 23, 2018
June 4, 2018	Last day for teachers	Feb 19 - Apr 6	29 days	April 13, 2018
		Apr 9 - June 1	39 days	June 1, 2018
Prekindergarten Grading Periods		4 Cycles		
<b>3 Cycles</b>	<b>Report Card Dates</b>	Aug 28 - Oct 27	43 days	November 3, 2017
Aug 28 - Nov 10	53 days	Nov 30 - Dec 21	34 days	January 12, 2018
Nov 13 - Feb 16	53 days	Jan 9 - Mar 9	44 days	March 23, 2018
Feb 19 - June 1	68 days	Mar 19 - June 1	53 days	June 1, 2018

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Business Operations  
Brian Busby, Chief Operating Officer

**SUBJECT: APPROVAL TO AMEND AND INCREASE THE DESIGN CONTRACT  
FOR MILBY HIGH SCHOOL**

The Houston Independent School District (HISD) 2012 bond election approved the construction and renovation of Milby High School (HS). On April 11, 2013, the HISD Board of Education approved the award of the design contract for this project to John Kirksey Associates, Architects, Inc.

John Kirksey Associates, Architects, Inc., has been directed by HISD to facilitate the furniture, fixtures, and equipment (FF&E) selection for the new Milby HS campus. The cost for the additional labor required to accomplish this task is \$54,000.

Authorization is requested to amend and increase the design contract in the amount of \$54,000 for these additional services. Approval of this item will authorize the superintendent of schools or a designee to negotiate, execute, and amend all necessary contracts to implement the work.

**COST/FUNDING SOURCE(S):** No additional funding is required. The cost for this request will be funded by the current design contingency. There will be no increase in the overall project budget.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 4: Data-Driven Accountability.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education authorizes amending and increasing the design contract for Milby HS, effective January 13, 2017.

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF CONSULTANT AND PROFESSIONAL-SERVICE CONTRACTS**

The purpose of this item is to authorize consultant contracts and professional-service contracts as required by board policy. According to current policy, the Houston Independent School District (HISD) Board of Education's approval is required for consultant contracts and professional services exceeding \$50,000 per engagement, inclusive of expenses, or for consultant contracts where payment to a consultant for the fiscal year has aggregated \$100,000, inclusive of all expenses. There are no such contracts or services this month.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 1: Increase Student Achievement and Goal 4: Increase Management Effectiveness and Efficiency, and is aligned to Core Initiative 1: Effective Teacher in Every Classroom.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: There are no proposed consultant and professional-service contracts that require board approval this month.

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF VENDOR AWARDS FOR PURCHASES OVER \$100,000 AND RATIFICATION OF VENDOR AWARDS FOR PURCHASES UNDER \$100,000**

The purpose of this item is to authorize vendor awards for purchases over \$100,000 and ratify vendor awards for purchases under \$100,000. Pursuant to Board of Education policy, contracts for purchases over \$100,000 are submitted to the Houston Independent School District (HISD) Board of Education for approval prior to the issuance of purchase orders and/or agreement letters. Procurement Services, authorized by board policy, enters into purchase agreements for bid projects less than \$100,000, subject to ratification by the Board of Education.

When determining the successful bidder, consideration is given to the quality of the articles supplied, conformity with developed specifications, suitability to the requirements of the educational system, and delivery terms. All advertised bids are in compliance with minority- and woman-owned business enterprise procedures. All contracts are negotiated and executed with the supplier(s) providing the best overall value for the district.

The attachment reflects the names of successful bidders, the budgets to be charged, and a description of the items to be purchased. A copy of each tabulation is on file in Board Services.

**COST/FUNDING SOURCE(S):** Funds for these recommended actions will be necessary only one time.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all six goals and is aligned to all five core initiatives of the district.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves vendor awards for purchases over \$100,000 and ratifies vendor awards for purchases under \$100,000, effective January 13, 2016.



## APPROVAL OF PURCHASES OVER \$100,000

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>BIDS/RFP'S ISSUED</u>	<u>BIDS REC'D</u>	<u>** LOC</u>	<u>AWARDED TO</u>
16-10-02 (Pleasant)	Service Level Agreement (SLA) for Medicaid Reimbursement Maximization System (MRMS)	C-D		38	2		Authentica Solutions

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
749000010	5370807000	AD63990000000000	6299000000		\$10,192,335

The purpose of this contract is to provide support, maintenance, and new development to the current MRMS for the Medicaid Finance and Consulting Services Department. This contract was created to replace previous contract #15-03-03. The term of this contract is from January 16, 2017, through January 31, 2018, and for four additional one-year renewal options, not to extend beyond January 31, 2022. The expenditure for the initial development last year was \$1,386,619. The projected expenditure for support, maintenance, and any new development is \$10,192,335 for a five-year term. The district applied the "Best Value" process in selecting the supplier to be awarded in accordance with Chapter 44 of the Texas Education Code (TEC) and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

## APPROVAL OF PURCHASES OVER \$100,000

## RECOMMENDED AWARD JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>BIDS/RFP'S ISSUED</u>	<u>BIDS REC'D</u>	<u>** LOC</u>	<u>AWARDED TO</u>
15-11-09 (Giacaman)	Kitchen Production Supplies	C-D		34	20	T	Ace Mart Restaurant Supply Company
		A-100%				T	Bioplanet Corp.
		C-D				O	Calico Industries, Inc.
		C-1%				H	Daxwell Distribution LLC
		C-2%				T	Edward Don & Company, Inc.
		A-100%				T	EVCO Partners LP dba Burgoon Company
		B-20%				O	Interboro Packaging Corporation
		C-D				H	Jake's Inc. dba Jake's Finer Foods
		B-24.8%				T	Last Group Enterprises, Inc.
		C-D				H	My ECO Planet, LLC
		C-D				H	Par-Pak Inc. dba WNA Houston
		A-100%				T	Pasco Brokerage, Inc.
		C-D				O	Plascon Packaging, Inc.
		C-D				O	Jadra dba Plastic Package, Inc.
		C-D				O	Tele-Pak, Inc.

Continued on next page

## APPROVAL OF PURCHASES OVER \$100,000

## RECOMMENDED AWARD JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>BIDS/RFP'S ISSUED</u>	<u>BIDS REC'D</u>	<u>** LOC</u>	<u>AWARDED TO</u>
	Continued from previous page						
15-11-09 (Giacaman)	Kitchen Production Supplies	B-20%				T	Terry Woodard Enterprises Inc. dba Kommercial Kitchens
		B-20%				O	The Platinum Packaging Group
		A-100%				O	U.S. Coating Specialties & Supplies LLC
		C-D				O	Wallace Packaging, Inc.

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
7010010000	5140832000	PS35990000000000	6399000000		\$10,000,000

The term of this contract is January 12, 2017, through January 11, 2018, and for an additional three annual renewal periods after the initial contract term not to extend beyond January 11, 2021. This contract was created to replace previous contract #13-08-09 Kitchen Production Supplies and consists of all necessary paper and plastic supplies and small wares needed for the Nutrition Services production facility located at 6801 Bennington St., Houston, TX 77028, and the school cafeterias districtwide. This contract will contain items appropriate for use in the production facility and is anticipated to increase facility usage by creating certain menu items "in-house" as well as reducing the number of cooperative expenditures under this category. This award includes approval of all applicable catalogs, alternates, and all-in-one kits submitted as appropriate. The average historical expenditure for these items over the last three years has been approximately \$1,954,500 based on analysis of previous usage. Expenditures are expected not to exceed \$2,500,000 annually or \$10,000,000 for the entire contract term. The budget was increased to allow for higher anticipated expenditures during the term of the contract. The district applied the "Best Value" process in selecting the supplier to be awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

## AMENDMENT TO ITEMS APPROVED ON A PRIOR BOARD AGENDA

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>BIDS/RFP'S ISSUED</u>	<u>BIDS REC'D</u>	<u>** LOC</u>	<u>AWARDED TO</u>
14-05-03 (Pleasant)	End User Devices Lease and Purchase	A-100%	A-100%			H	Netsync Network Solutions (HP Financial Services)

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
Various schools and/or departments					\$20,000,000

The Board of Education approved the original contract renewal on August 11, 2016, for a three-year term. The purpose of this contract amendment is to increase the budget by an additional \$20,000,000 and the initial three-year term to a four-year term. The contract will provide districtwide laptops, desktops, tablet computing devices (as part of campus purchases), and PowerUp program leases for the district. The contract term is from August 11, 2016, through August 10, 2017, and an additional one-year renewal option, not to extend beyond August 11, 2018. The average historical expenditure for these products has been \$21,954,434. The projected expenditure is \$20,000,000. The district applied the "Best Value" process in selecting the supplier to be awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

## AMENDMENT TO ITEMS APPROVED ON A PRIOR BOARD AGENDA

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>BIDS/RFP'S ISSUED</u>	<u>BIDS REC'D</u>	<u>** LOC</u>	<u>AWARDED TO</u>
15-09-03 (Hooks)	Plumbing Services (Budget Increase)	B-20%	B-21.67%			H	American Mechanical Services of Houston, LLC
		A-100%	A-100%			H	Charlie's Plumbing

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
1993010002	1040803103	XX5199PLB0000000	6249000000		
1993010002	1040803203	XX5199PLB0000000	6249000000		
1993010002	1040XXXXXX	XX5199PLB0000000	6249000000		
1993010006	1040XXXXXX	XX5199PLB0000000	6249000000		
1993010011	1040XXXXXX	XX5199PLB0000000	6249000000		\$837,500

The purpose of this contract amendment is to increase the budget for plumbing services from January 13, 2017, through November 8, 2018. An increase of \$837,500 is necessary due to unforeseen additional expenditures for plumbing services districtwide, mostly due to lead testing and aging infrastructure at various campuses. This increase is anticipated to be sufficient for plumbing services through the completion of the project, with a new solicitation to be issued in the June 2018 timeframe. This contract was previously approved by the Board of Education on November 12, 2015, for \$3,350,000. The district applied the "Best Value" process in selecting the suppliers in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).

## APPROVAL OF COOPERATIVE PURCHASES OVER \$100,000

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>YEAR 2 OF 3</u>	<u>YEAR 3 OF 3</u>	<u>** LOC</u>	<u>AWARDED TO</u>
BuyBoard 16-11-31-01 (Thomas)	Vehicles, Heavy-Duty Trucks & Options; Parts (Repair & Labor)					H	Cap Fleet Upfitters, LLC
						H	Chastang Enterprises - Angleton, LLC
						H	Tommie Vaughn Motors, Inc.

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
1993000000	1040810001	AD34990000000000	6319000000		
1993000000	1040810101	AD34990000000000	6319000000		
1993000000	1040810201	AD34990000000000	6319000000		
1993000000	1040810301	AD34990000000000	6319000000		
1993000000	1040810401	AD34990000000000	6319000000		
1993000000	1040810501	AD34990000000000	6319000000		
Various schools and/or departments					\$225,000

The purpose of this contract is to obtain vehicle rigging and accessories, which include but are not limited to the removal and installation of truck bodies, flatbeds, bulkheads, shelving, specialty storage components, and related items. This pertains both to vehicles currently owned by HISD and to new purchases. This project is also for vehicle parts, repair, and service labor. The end user department is Transportation Services. The contract term is from January 13, 2017, through November 30, 2017, and for two additional years after the initial contract term if BuyBoard executes their option, not to extend beyond November 30, 2019. HISD's current Project No. 16-08-15-01 and 16-02-63-01 for these services expired on November 30, 2016, and our replacement solicitation 16-02-53, issued earlier this summer, resulted in only one bid, which was determined to be non-responsive. Fiscal year 2015 expenditure was \$70,379. The average annual expenditure for the last three fiscal years has been \$73,740. The Transportation Department has projected the expenditure for the term of this project to remain the same, thus a total of \$225,000 for all three years. This project will be utilizing an interlocal agreement with BuyBoard under contract # 521-16. The BuyBoard contract expires November 30, 2017. According to Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL), HISD is able to enter into an interlocal contract with BuyBoard.

## APPROVAL OF COOPERATIVE PURCHASES UNDER \$100,000

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>YEAR 2 OF 3</u>	<u>YEAR 3 OF 3</u>	<u>** LOC</u>	<u>AWARDED TO</u>
HCDE 16-12-02-04 (Alford)	Flight Simulation Equipment Relocation					O	Redbird Flight Simulations, Inc.

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
Various Schools and/or department					\$10,000
<u>6990000300</u>	<u>1014014000</u>	<u>PS81990000000000</u>	<u>6629040000</u>		

The purpose of this project is to contract with Redbird Flight Simulations, Inc., to move the MCX Redbird flight simulator from its current location at the old Sterling High School building to the new school location. Moving a simulator is a highly technical undertaking which Career Readiness considers is best performed by Redbird, the company who originally built and installed the flight simulator in 2013 for \$212,377. HISD will be utilizing Harris County Department of Education (HCDE) contract 13/061DG-07. The contract term is effective January 13, 2017, through January 13, 2018. According to Chapter 44 and Chapter 791 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL), HISD is able to enter into an interlocal agreement with HCDE based on the Board of Education's approval of an interlocal agreement with HCDE on January 15, 2009.

## APPROVAL OF RENEWAL PURCHASES UNDER \$100,000

## RECOMMENDED AWARD FOR JANUARY 12, 2017, BOARD AGENDA

<u>PROJECT</u>	<u>DESCRIPTION</u>	<u>*M/WBE COMMIT</u>	<u>M/WBE ACTUAL</u>	<u>YEAR 2 OF 3</u>	<u>YEAR 3 OF 3</u>	<u>** LOC</u>	<u>AWARDED TO</u>
15-06-03 (Pleasant)	Law Enforcement Management System	B-25%				OT	SunGard Public Sector, LLC

<u>Fund</u>	<u>Cost Center</u>	<u>Functional Area</u>	<u>General Ledger</u>	<u>IO /Work Breakdown Structure</u>	<u>Amount Not To Exceed</u>
Various schools and/or departments					\$0

The Board of Education approved this contract on August 13, 2015, for the amount of \$712,000. The purpose of this contract is to extend services from December 16, 2016, through July 31, 2017, to provide the supplier additional time to complete the current software solution that includes all current HISD Police Department processes such as computer-aided dispatch, mobile data communications, records management, and field reporting. No additional funds are required to complete this project. The district applied the "Best Value" process in selecting the supplier to be awarded in accordance with Chapter 44 of the TEC and district purchasing and acquisition policies CH(LOCAL) and CH(LEGAL).



**Code Legend****M/WBE - Minority and Women Business Enterprises Percentage Notations**

Option A - Certified M/WBE firm; Percentages greater than 100% indicates the M/WBE firm will also subcontract with other M/WBE firms.

Option B - Non M/WBE firm who will subcontract the indicated percentage with an M/WBE firm(s) to meet or exceed the district's goal.

Option C – Non M/WBE firm. If listed with percentage greater than 0%, the awardee will sub-contract with an M/WBE firm for a percentage less than the district's goal. If listed as C/I/X%, the awardee will participate under an indirect program for the percentage indicated. If listed as C/D, the awardee made direct contact with M/WBE firms regarding subcontracting opportunities but has no costs attributable as either indirect or direct costs with M/WBE suppliers.

**Other Status Options**

NC) - Non-compliant; NE) - Not evaluated; NFP) - Non-profit; P) - Pending Certification

**LOC – Location**

Houston (H); Texas (T); Out of State (O); Out of State with Local Office (OT).

BB  
DIR  
GSA  
HCDE  
HGAC  
REGION IV  
TASB  
TBPC  
TIPS  
TCPN  
TPASS  
TXMAS  
USC

The BuyBoard Cooperative  
Texas Department of Information Resources  
Federal General Services Administration Schedule 70  
Harris County Department of Education  
Houston-Galveston Area Council  
Region IV Education Service Center  
Texas Association of School Boards  
Texas Building and Procurement Commission  
TIPS/TAPS Region 8 Interlocal Cooperative  
The Cooperative Purchasing Network  
Texas Procurement and Support Services  
Texas Multiple Award Schedules  
U. S. Communities

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION FOR THE ISSUANCE OF LEASE REVENUE REFUNDING BONDS BY THE HOUSTON INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY CORPORATION; THE EXECUTION AND DELIVERY OF AN AMENDED LEASE AGREEMENT AND OTHER RELATED AGREEMENTS; AND THE AUTHORITY TO PROCEED WITH ALL OTHER NECESSARY ACTIONS FOR SALE OF THE BONDS**

The Houston Independent School District Public Facility Corporation (PFC), a nonprofit corporation, was created by the district in 1998 to finance facilities on behalf of and for the benefit of the district. In 2006, the PFC issued its Lease Revenue Bonds (Food Service Warehouse Project), Series 2006, to finance the food service warehouse project. The PFC owns the land and facilities and leases them to the district pursuant to a lease agreement entered into in connection with the Series 2006 bonds. Under the lease agreement, the district makes semiannual rental payments to the PFC in amounts necessary to pay the debt service on the Series 2006 Bonds.

In order to decrease the amount of rental payments due under the lease agreement, the administration is recommending that the PFC issue lease revenue refunding bonds to refund the outstanding Series 2006 bonds to take advantage of lower interest rates and generate savings for the district.

The bonds will be sold as fixed-rate bonds via a negotiated sales process. The firms of Andrews Kurth Kenyon LLP and Burney and Foreman are serving as co-bond counsel. The district's financial advisors for the transaction will be selected at a later date.

The rates at which bonds are sold are dependent on what other public fund issues are in the market on a given day, the effect of global economic issues (including fluctuations in credit markets), as well as yield performance. In order to ensure the bonds are being sold on a day that is advantageous to the district's economic model, the PFC seeks approval to sell the bonds subject to set parameters.

The lease revenue refunding bonds will be sold by the PFC subject to the following parameters:

1. The aggregate principal amount of refunding bonds to be issued will not exceed \$25,335,000;
2. The net effective interest rate on the bonds shall not exceed 5.00%;
3. The net present value savings shall be greater than 4.00% of the par amount of the refunded bonds; and

4. The final maturity date of the refunding bonds will not exceed the final maturity date of the refunded bonds.

Approval of this agenda item will approve the issuance of the lease revenue refunding bonds by the PFC, allow for the execution and delivery of the necessary bond documents by the district and the PFC (including a bond purchase contract and amended lease agreement reflecting the reduced rental payments), and allow all other actions needed to issue the bonds.

**COST/FUNDING SOURCE(S):** Bond issuance costs are a one-time expense and will be paid by the PFC from the proceeds of the sale of the bonds.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all six goals of the district and is aligned to Core Initiative 4: Data-Driven Accountability and Core Initiative 5: Culture of Trust through Action.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves the resolution for the issuance of lease revenue refunding bonds by the HISD PFC; the execution and delivery of an amended lease agreement and other related agreements; and the authority to proceed with all other necessary actions for sale of the bonds, effective January 13, 2017.

## CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS	§	
COUNTY OF HARRIS	§	
HOUSTON INDEPENDENT SCHOOL DISTRICT	§	

I, the undersigned officer of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in a regular meeting on January 12, 2017, in the regular meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

_____, President	_____, Member
_____, First Vice President	_____, Member
_____, Second Vice President	_____, Member
_____, Secretary	_____, Member
_____, Assistant Secretary	

and all of such persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE HOUSTON INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LEASE AGREEMENT AND OTHER AGREEMENTS RELATED THERETO; AND APPROVING OTHER MATTERS INCIDENT AND RELATING THERETO**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be passed; and, after due discussion, such motion, carrying with it the passage of such Resolution, prevailed and carried by the following vote:

0 Ayes                      0 Noes                      0 Abstentions

2. That a true, full and correct copy of such Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Resolution has been duly recorded in such Board’s minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board’s minutes of such meeting pertaining to the passage of such Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such

Resolution would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_, 2017.

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Supervisor, Board Services  
Houston Independent School District

(SEAL)

RESOLUTION APPROVING THE ISSUANCE OF REFUNDING BONDS BY THE HOUSTON INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY CORPORATION; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LEASE AGREEMENT AND OTHER AGREEMENTS RELATED THERETO; AND APPROVING OTHER MATTERS INCIDENT AND RELATING THERETO

WHEREAS, the Houston Independent School District (the “*District*”) has previously entered into the “Lease with an Option to Purchase” with the Houston Independent School District Public Facility Corporation (the “*Corporation*”) dated as of April 1, 2006 (the “*Original Lease*”) for the lease of certain real property and facilities comprising the food service warehouse project (together with all improvements and additions thereto, the “*Project*”) pursuant to the provisions of the Public Property Finance Act, Section 271.001 *et seq.*, Texas Local Government Code, as amended;

WHEREAS, pursuant to that certain Third Supplemental Trust Indenture, dated as of April 1, 2006, entered into by and between the Corporation and The Bank of New York Mellon Trust Company, National Association, as successor in interest to JPMorgan Chase Bank, National Association (the “*Trustee*”), the Corporation issued \$33,600,000 in aggregate principal amount of its Lease Revenue Bonds (Food Service Warehouse Project), Series 2006 (the “*Refunded Bonds*”) to finance the Project, payable from rental payments made by the District pursuant to the Original Lease;

WHEREAS, the Board of Education of the District, in order to decrease the amount of rental payments due under the Original Lease, desires that the Corporation issue lease revenue refunding bonds in a principal amount not exceed \$25,335,000 (the “*Bonds*”), subject to certain parameters stated herein, pursuant to Chapter 303, Texas Local Government Code, as amended, to refinance the Project and use the proceeds thereof to make firm banking and financial arrangements or for the discharge and final payment of the Refunded Bonds;

WHEREAS, in connection with the issuance of the Bonds and the refinancing of the Project, the District will be required to amend the terms of the Original Lease to reflect the payment terms of the Bonds;

WHEREAS, the Board of Education desires to approve the Amended and Restated Lease with an Option to Purchase (the “*Lease*”) between the Corporation and the District, with respect to the Project;

WHEREAS, pursuant to (1) a resolution (the “*Bond Resolution*”) expected to be adopted by the Board of Directors of the Corporation, (2) a Sixth Supplemental Trust Indenture (the “*Sixth Supplemental Trust Indenture*”) between the Corporation and The Bank of New York Mellon Trust Company, National Association, Houston, Texas, as trustee (the “*Trustee*”); and (3) a Bond Purchase Agreement, dated as of the date of execution thereof (the “*Bond Purchase Agreement*”), between the Corporation and the underwriters named therein (the “*Underwriters*”), the Corporation will issue the Bonds to refund the Refunded Bonds and refinance the Project and will

pledge its interest in the Lease, and its right to receive the Rental Payments with respect to the Project as provided therein, to the Trustee as security for the payment of the Bonds;

WHEREAS, to further secure the Bonds, the Corporation will grant a first lien security interest in the Project for the benefit of the Trustee pursuant to a Deed of Trust, Security Agreement, Assignment of Rents and Leases and Financing Statement (the “*Deed of Trust*”);

WHEREAS, the Board hereby determines it to be in the public interest to approve the Lease and consent to and approve the execution, sale and delivery of the Bonds and the execution and delivery by the Corporation of the Lease, the Sixth Supplemental Trust Indenture, the Deed of Trust, and the Bond Purchase Agreement, the issuance of the Bonds by the Corporation and the execution and delivery by the District and the Corporation, as applicable, of such documents, and all other certificates and instruments necessary or appropriate to consummate the transactions contemplated thereby;

WHEREAS, the meeting at which this Resolution is considered is open to the public as required by law and the public notice of the time, place and purpose of said meeting was given as required by Texas Government Code, Chapter 551, as amended.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT:

**SECTION 1. APPROVAL OF DISTRICT DOCUMENTS.** (a) The Board of Education hereby approves the refinancing of the Project in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, and, subject to subsection (b), the execution and delivery of the Lease and the Bond Purchase Agreement, in substantially the forms presented to the Board of Education at this meeting, with such changes thereto as may be required by the Trustee, the Attorney General of the State of Texas or any of the attorneys rendering an opinion as to the validity and enforceability of the Bonds or as to the tax exemption of interest on the Bonds. The President, Secretary, any Vice President or Assistant Secretary of the Board of Education are hereby authorized to execute and deliver the Lease and the Bond Purchase Agreement and such certificates regarding the District and the Project as may be required by any of the attorneys rendering an opinion as to the validity and enforceability of the Bonds, the Lease, the Bond Purchase Agreement or as to the tax exemption of interest on the Bonds. When executed and delivered, the Lease and the Bond Purchase Agreement shall constitute binding obligations of the District in accordance with their terms and conditions.

**SECTION 2. APPROVAL OF CORPORATION DOCUMENTS.** (a) The District hereby acknowledges and approves the execution and implementation by the Corporation of the Bond Resolution, the Sixth Supplemental Indenture, the Lease, the Deed of Trust, the Bond Purchase Agreement and the Assignment Agreement, in substantially the forms presented to the Board of Education at this meeting, and the issuance by the Corporation of the Bonds pursuant to the Bond Resolution, the Sixth Supplemental Indenture and the Bond Purchase Agreement, with such changes thereto as may be required by the Trustee, the Attorney General of the State of Texas or any of the attorneys rendering an opinion as to the validity and enforceability of the Bonds, the documents executed by the Corporation in connection therewith or as to the tax exemption of interest on the Bonds.

SECTION 3. SALE AND DELIVERY OF BONDS. (a) The Bonds shall be sold and delivered to the Underwriters at the price and terms to be set forth in the Bond Resolution (and related Pricing Certificate) and in accordance with the terms of the Bond Purchase Agreement, subject to the following parameters:

- (i) the aggregate principal amount of the Bonds will not exceed \$25,335,000;
- (ii) the net effective interest rate of the Bonds shall not exceed 5.00%;
- (iii) the net present value savings resulting from refunding the Refunded Bonds shall be greater than 4.00% of the par amount of the Refunded Bonds; and
- (iv) the final maturity date of the Bonds will not exceed the final maturity date of the Refunded Bonds.

(b) Upon completion of the terms thereof, the appropriate officials of the District are hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the District, and the President of the Board of Education, Superintendent, Chief Financial Officer, Controller and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds and the refunding of the Refunded Bonds.

SECTION 4. OFFICIAL STATEMENT. The Board of Education hereby authorizes and approves, in connection with the sale of the Bonds, the preparation and distribution of the Preliminary Official Statement, and the preparation and distribution of a final Official Statement, reflecting the terms of the Bond Purchase Agreement and other relevant information. The use of such final Official Statement by the Underwriters is hereby approved.

SECTION 5. FURTHER PROCEEDINGS. Incident to the execution and delivery of the Lease, the Bond Resolution, the Sixth Supplemental Trust Indenture, the Deed of Trust, the Bond Purchase Agreement and the Bonds by the Corporation, the President and Vice President/Secretary of the Board of Directors of the Corporation are hereby authorized, empowered and directed to do all such acts and things and to execute such documents on behalf of the Corporation and to do any and all things as may be necessary or desirable to carry out and comply with the provisions thereof and are further authorized to take any and all further action to execute and deliver any other documents as may be necessary to carry out the purposes of this Resolution.

SECTION 6. REPEALER. All orders or resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 7. SEVERABILITY. If any provisions of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid and the Board of Education hereby declares that this Resolution would have been enacted without such invalid provision.



Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF HOUSTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES; APPROVAL FOR THE SUPERINTENDENT, CHIEF FINANCIAL OFFICER, OR CONTROLLER TO SELL THE NOTES, SUBJECT TO STATED PARAMETERS; AND AUTHORIZATION TO PROCEED WITH ALL OTHER NECESSARY ACTIONS FOR SALE OF NOTES**

In November 2012, the voters of the Houston Independent School District (HISD) approved a ballot initiative authorizing the district to issue \$1,890,000,000 for the 2012 bond program for the rebuilding and renovation of district facilities. The district has to date issued four series of bonds to implement the 2012 bond program: the Series 2013A Bonds, Series 2013B Bonds, Series 2014A Bonds and Series 2016A Bonds, in the total amount of \$1,250,000,000, leaving \$640,000,000 in authorized but unissued bonds pursuant to the 2012 election. (In a separate agenda item, the administration recommends approval of parameters for the sale of the remaining \$640,000,000.) Current estimates suggest that the 2012 bond program is facing a \$211,000,000 shortfall. The administration is recommending the issuance of one or more series of maintenance tax notes in an amount not to exceed \$200,000,000 to finance a portion of the shortfall for facility maintenance needs.

Under state law, maintenance tax notes may be issued to pay the costs of maintenance expenses of the district, including repairs, renovations, and improvements to existing school facilities; environmental cleanup; and the maintenance, repair, rehabilitation, or replacement of building systems of existing school properties. Maintenance tax notes may not be used for constructing new facilities. The notes will be payable from available funds of the district, including the district's maintenance tax.

The firms of Andrews Kurth Kenyon LLP and Burney and Foreman are serving as co-bond counsel. The district's financial advisors for the transaction will be selected at a later date.

The rates at which notes are sold are dependent on what other public fund issues are in the market on a given day, the effect of global economic issues (including fluctuations in credit markets), as well as yield performance. In order to ensure the notes are being sold on a day that is advantageous to the district's economic model, it may be necessary to sell the notes on a day and at a time when the Board of Education is not scheduled to meet. The administration is asking for approval to sell the notes subject to set parameters. The approval would authorize the superintendent, chief financial officer, or controller to sell the notes subject to the following parameters:

1. The aggregate principal amount of notes to be issued will not exceed \$200,000,000;
2. The net effective interest rate of the notes shall not exceed 5.00%; and
3. The final maturity of the notes shall be no later than 20 years from the date of the notes.

Any finding by the authorized representative relating to the sale and delivery of the notes shall have the same force and effect as a finding or determination made by the board.

The delegation will expire on June 30, 2017. A report on the results of the sale will be brought forward to the Board of Education.

The approval would also authorize the superintendent, chief financial officer, or controller to determine the manner of sale of the notes, whether privately placed with a bank or other financial institution or sold via a public, negotiated sale process, as well as the bank or underwriters who will purchase the notes.

If it is determined that the notes will be sold via a negotiated sale, meetings may be scheduled with the rating agencies Moody's Investors Service and Standard & Poor's. The maintenance tax notes are not eligible to be guaranteed by the Texas Permanent School Fund and will, as a result, carry the underlying ratings of the district (Aaa and AA+ from Moody's Investors Service and Standard & Poor's, respectively).

The district and its legal and financial advisors will continue to monitor the legal issues surrounding the district's issuance of the notes. This agenda item allows the administration to move forward with all actions needed to carry out the sale of the maintenance tax notes.

**COST/FUNDING SOURCE(S):** Issuance costs are a one-time expense and will be paid from the proceeds of the sale of the notes.

**STAFFING IMPLICATIONS:** None

**ORGANIZATIONAL GOALS/IMPACT:** This agenda item supports all six goals of the district and is aligned to Core Initiative 4: Data-Driven Accountability and Core Initiative 5: Culture of Trust through Action.

**THIS ITEM DOES NOT REQUIRE CONSULTATION.**

**THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.**

**RECOMMENDED:** That the Board of Education approves the resolution authorizing the issuance, sale, and delivery of HISD Maintenance Tax Notes; authorizing the superintendent, chief financial officer, or controller to sell the notes subject to stated parameters; and authorizing all other necessary actions for sale of the notes, effective January 13, 2017.

# CERTIFICATE FOR RESOLUTION

STATE OF TEXAS   §  
COUNTY OF HARRIS   §  
HOUSTON INDEPENDENT SCHOOL DISTRICT                     §

The undersigned officers of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in regular meeting on January 12, 2017, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

_____	, President	_____	, Member
_____	, First Vice President	_____	, Member
_____	, Second Vice President	_____	, Member
_____	, Secretary	_____	, Member
_____	, Assistant Secretary		

and all of such persons were present except \_\_\_\_\_,  
thus constituting a quorum. Whereupon, among other business, the following was transacted at  
said meeting: a written

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY  
OF HOUSTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE  
TAX NOTES; AUTHORIZING AN AUTHORIZED REPRESENTATIVE  
TO APPROVE THE TERMS THEREOF; AND CONTAINING OTHER  
MATTERS RELATED THERETO**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Resolution be passed; and, after due discussion, such motion, carrying with it the passage of such Resolution, prevailed and carried by the following vote:

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTENTIONS \_\_\_\_\_

2. That a true, full and correct copy of such Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Resolution has been duly recorded in such Board's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board's minutes of such meeting pertaining to the passage of such Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place and purpose of such meeting, and that such Resolution would be introduced and considered for passage at such meeting, and each of such

officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_, 2017.

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Supervisor, Board Services  
Houston Independent School District

(SEAL)

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF  
HOUSTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX  
NOTES; AUTHORIZING AN AUTHORIZED REPRESENTATIVE TO  
APPROVE THE TERMS THEREOF; AND CONTAINING OTHER MATTERS  
RELATED THERETO

STATE OF TEXAS	§
COUNTY OF HARRIS	§
HOUSTON INDEPENDENT SCHOOL DISTRICT	§

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

WHEREAS, Sec. 45.108, Texas Education Code (the “Act”), authorizes the Board of Trustees (the “Board”) of the District to borrow money for the purpose of paying any lawful expenditure of the District other than payment of principal of and interest on bonds and to evidence such loans with negotiable notes maturing not more than twenty years from their date;

WHEREAS, the Board desires to finance certain lawful expenditures of the District through the issuance of notes in an aggregate principal amount not to exceed \$200,000,000 under the authority of the Act;

WHEREAS, the Board has adopted a budget for the District for the school year ending June 30, 2017;

WHEREAS, the notes herein authorized (the “Notes”), together with other notes issued by the District pursuant to the Act, at no time will exceed seventy-five percent (75%) of the previous year’s income of the District; and

WHEREAS, the District has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness 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 therefore, the District qualifies as an “Issuer” under Chapter 1371, Texas Government Code; and

WHEREAS, pursuant to Section 1371.053, Texas Government Code, the District desires to delegate the authority to an Authorized Representative to effect the sale of the Notes, from time to time and in one or more installments; Now, therefore

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT:

1. Definitions. Throughout this Resolution the following terms and expressions as used herein shall have the meanings set forth below:

The term “Attorney General” shall mean the Attorney General of Texas.

The term “Authorized Representative” shall mean any one of the Superintendent, the Chief Financial Officer or the Controller of the District, or their designee.

The term “Board” shall mean the Board of Education of the District.

The term “Notes” shall mean the Notes issued hereunder.

The term “Business Day” shall mean any day which is not a Saturday, Sunday, a day on which the Registrar is authorized by law or executive order to remain closed or a legal holiday.

The term “Code” shall mean the Internal Revenue Code of 1986, as amended.

The term “Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

The term “Debt Service Fund” shall mean the Debt Service Fund established by the District pursuant to Section 22 of this Resolution.

The term “District” shall mean the Houston Independent School District, and any successor to its duties and functions.

The term “DTC” shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term “DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term “Interest Payment Date,” when used in connection with the Notes, shall mean the dates set forth in the Officer’s Pricing Certificate.

The term “Officer’s Pricing Certificate” means a certificate signed by an Authorized Representative and containing the information regarding the Notes specified in Sections 3, 4 and 5 hereof substantially in the form of Exhibit A hereto.

The term “Resolution” as used herein and in the Note shall mean this resolution authorizing the Notes.

The term “Outstanding,” when used with respect to the Notes, shall mean, as of a particular date, all Notes theretofore and thereupon delivered pursuant to this Resolution except: (a) any Note cancelled by or on behalf of the District at or before such date; (b) any Note defeased pursuant to the defeasance provisions of this Resolution or otherwise defeased as permitted by applicable

law; and (c) any Note in lieu of or in substitution for which a replacement Note shall have been delivered pursuant to this Resolution.

The term “Owner” or “Registered Owner” shall mean any person who shall be the registered owner of any outstanding Note.

The term “Purchase Contract” shall mean the contract, agreement or investment letter between the District and the Purchaser referred to in Section 23 of this Resolution.

The term “Purchaser” shall mean the purchaser or purchasers of the Notes identified in the Officer’s Pricing Certificate.

The term “Record Date” shall mean the last business day of the month next preceding each Interest Payment Date.

The term “Register” shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Notes registered to, each Owner.

The term “Registrar” shall mean the bank or trust company serving as paying agent and registrar for the Notes, as determined by the Authorized Representative in the Officer’s Pricing Certificate, and its successors.

All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections are for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms and provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Notes and the validity of the levy of ad valorem maintenance taxes to pay the principal of and interest on the Notes.

2. Findings and Determinations. The matters and facts set out in the preamble to this Resolution are hereby found to be true and correct.

3. Amount; Purpose; Authorization. The Notes shall be issued from time to time in one or more series in fully registered form, without coupons, in a maximum aggregate principal amount of \$200,000,000 to provide funds for (i) paying the costs of lawful maintenance expenses of the District consisting of repair, renovation, and improvements to existing school facilities, environmental cleanup, and the maintenance, repair, rehabilitation, or replacement of building systems of existing school properties, and (ii) paying the costs of issuing the Notes. The Notes shall be issued under and in strict conformity with the Constitution and laws of the State of Texas, particularly Section 45.108, Texas Education Code, and Chapter 1371, Texas Government Code.

4. Designation; Date; Interest Rates, Interest Payment Dates and Denominations. The Notes shall be designated as the “Houston Independent School District Maintenance Tax Notes, Series 2017.” The Notes shall be dated and shall mature on the dates and in each of the years and in the amounts set out in the Officer’s Pricing Certificate, and shall bear interest from the date and at the rates set out in the Officer’s Pricing Certificate. Interest on the Notes shall be payable on



each Interest Payment Date commencing on the date set out in the Officer's Pricing Certificate. Interest on the Capital Appreciation Notes shall be payable only at maturity. Notes delivered on transfer of or in exchange for other Notes shall be numbered (with appropriate prefix) in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Note or Notes in lieu of which they are delivered.

5. Selling and Delivering Notes. As authorized by Chapter 1371, Texas Government Code, the Authorized Representative is hereby authorized to act on behalf of the District in selling and delivering the Notes from time to time and carrying out the other procedures specified in this Resolution including, without limitation, determining the method and manner of sale of the Notes (private or public), determining the date on and price at which the Notes will be sold, the issuance date and dated date, the designation or title by which the Notes shall be known, the years in which the Notes will mature, the aggregate principal amount of the Notes, the principal amount to mature in each year of maturity, the rate of interest to be borne by each such maturity, any optional redemption or mandatory sinking fund redemption provisions, defeasance provisions, and all other matters not expressly provided in this Resolution relating to the issuance, sale and delivery of the Notes, including procuring municipal bond insurance, if any, and approving modifications to this Resolution and execution such instruments, documents and agreements as may be necessary with respect thereto, all of which shall be specified in the Officer's Pricing Certificate, substantially in the form attached hereto as Exhibit A; provided that:

- (i) the aggregate principal amount of the Notes issued hereunder shall not exceed \$200,000,000;
- (ii) the net effective interest rate on the Notes shall not exceed 5.00%; and
- (iii) the final maturity of the Notes shall be no later than 20 years from the date of the Notes.

Any finding by the Authorized Representative relating to the sale and delivery of the Notes shall have the same force and effect as a finding or determination made by the Board. The authority conferred by this Section shall expire at 11:59 p.m. on June 30, 2017.

6. Execution of Notes; Seal. The Notes shall be signed by the President or Vice President of the Board and countersigned by the Secretary or Assistant Secretary of the Board, by their manual, lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Notes shall have the same effect as if each of the Notes had been signed manually and in person by each of such officer's, and such facsimile seal on the Notes shall have the same effect as if the official seal of the District had been manually impressed upon each of the Notes. If any officer of the District whose manual or facsimile signature shall be on the Notes shall cease to be such officer before the authentication of such Notes or before the delivery of such Notes, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

7. Approval by Attorney General; Registration by Comptroller. The Notes to be initially issued shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The President or Vice President and the Secretary or Assistant Secretary of the Board are authorized hereby to have control and custody of the Notes and all necessary records and proceedings pertaining thereto pending their delivery, and the President or the Vice President and the Secretary or Assistant Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Notes and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Notes by the Comptroller. Upon registration of the Notes, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Exhibit A of this Resolution, and such certificate shall be affixed or attached to the Notes to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon. The Notes shall initially be registered in the name of the Purchaser.

8. Authentication. Except for the Notes to be initially issued, which need not be authenticated by the Registrar, only such Notes as shall bear thereon a certificate of authentication, substantially in the form provided in Exhibit A of this Resolution, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Resolution or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Note so authenticated was delivered by the Registrar hereunder.

9. Payment of Principal and Interest. The Registrar is hereby appointed as the registrar and paying agent for the Notes pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, substantially in the form presented at the meeting at which this Order was adopted, which is hereby authorized and approved by the Board and which the appropriate officials of the District are hereby authorized to execute. The officers of the District are each hereby authorized to execute, attest and affix the District's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial registrar and paying agent and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Registrar and the District and/or the deposits of money pursuant to this Resolution, shall be deemed to accept and agree to abide by the terms of this Resolution. All money transferred to the Registrar in its capacity as registrar or paying agent for the Notes under this Resolution (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the District, shall be the property of the District and shall be disbursed in accordance with this Resolution. Subject to the provisions of Section 12, all matured Notes presented to the Registrar for payment shall be paid without the necessity of further instructions from the District. Such Notes shall be cancelled as provided herein.

The principal or redemption price of the Notes shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, at the corporate trust office of the Registrar. The interest on each Note shall be payable by check on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as

of the Record Date, to the address of such Owner as shown on the Register. Any accrued interest payable at maturity on a Note shall be paid upon presentation and surrender of such Note at the corporate trust office of the Registrar.

If the date for payment of the principal of or interest on any Note is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

10. Successor Registrars. The District covenants that at all times while any Notes are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Registrar for the Notes. The District reserves the right to change the Registrar for the Notes on not less than sixty (60) days' written notice to the Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Notes. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or a copy thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Resolution.

11. Special Record Date. If interest on any Note is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of record of an affected Note as of the close of business on the Business Day prior to the mailing of such notice.

12. Ownership; Unclaimed Principal and Interest. The District, the Registrar and any other person may treat the person in whose name any Note is registered as the absolute Owner of such Note for the purpose of making and receiving payment of the principal of or interest on such Note and for all other purposes, whether or not such Note is overdue, and neither the District nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Note in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Note to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Notes remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Registrar to the District upon receipt by the Registrar of a written request therefor from the District. The Registrar shall have no liability to the Owners of the Notes by virtue of actions taken in compliance with this Section.

13. Registration, Transfer and Exchange. As long as any Notes remain Outstanding, the Registrar shall keep the Register at its corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Notes in accordance with the terms of this Resolution.

Each Note shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Note in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Note or Notes of the same type, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Note or Notes so presented.

All Notes shall be exchangeable upon presentation and surrender thereof at the corporate trust office of the Registrar for a Note or Notes of the same type, maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Note or Notes presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Notes in accordance with the provisions of this Section. Each Note delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Note or Notes in lieu of which such Note is delivered.

The District or the Registrar may require the Owner of any Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Note. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

The Registrar shall not be required to transfer or exchange any Note called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Owner of the unredeemed portion of a Note called for redemption in part.

14. Book-Entry Only System. If the Notes are sold by public sale, the definitive Notes shall be initially issued in the form of a separate single fully registered Note for each of the maturities thereof. Upon initial issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 16 hereof, all of the Outstanding Notes shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

With respect to Notes registered in the name of Cede & Co., as nominee of DTC, the District and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the District and the Registrar shall have no

responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Notes, (b) the delivery to any DTC Participant or any other person, other than a Noteholder, as shown on the Register, of any notice with respect to the Notes, or (c) the payment to any DTC Participant or any other person, other than a Noteholder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Notes.

Except as provided in Section 16 of this Resolution, the District and the Registrar shall be entitled to treat and consider the person in whose name each Note is registered in the Register as the absolute Owner of such Note for the purpose of payment of principal of, premium, if any, and interest on Notes and other matters with respect to such Note, for the purpose of registering transfer with respect to such Note, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Notes only to or upon the order of the respective owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Notes to the extent of the sum or sums so paid. No person other than an Owner shall receive a Note certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Resolution.

15. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, as long as any Notes are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Notes, and all notices with respect to such Notes shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

16. Successor Securities Depository; Transfer Outside Book-Entry Only System. If the Notes are sold by public sale, in the event that the District or the Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the District to DTC and that it is in the best interest of the beneficial owners of the Notes that they be able to obtain certified Notes, the District or the Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Notes to such successor securities depository or (b) notify DTC of the availability through DTC of Notes and transfer one or more separate Notes to DTC Participants having Notes credited to their DTC accounts. In such event, the Notes shall no longer be restricted to being registered in the Register 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 Noteholders transferring or exchanging Notes shall designate, in accordance with the provisions of this Resolution.

17. Mutilated, Lost or Stolen Notes. Upon the presentation and surrender to the Registrar of a damaged or mutilated Note, the Registrar shall authenticate and deliver in exchange therefor a replacement Note of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a damaged or mutilated Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Note is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Note has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Note of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Note, before any replacement Note is issued, to:

- (a) furnish to the District and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Note;
- (b) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;
- (c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (d) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of a replacement Note, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the District and the Registrar shall be entitled to recover such replacement Note from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Note has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Note, authorize the Registrar to pay such Note.

Each replacement Note delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Note or Notes in lieu of which such replacement Note is delivered.

18. Cancellation of Notes. All Notes paid or redeemed in accordance with this Resolution, and all Notes in lieu of which exchange Notes or replacement Notes are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment or redemption. The Registrar shall furnish the District with appropriate certificates of destruction of such Notes.

19. Redemption Prior to Maturity.

- (a) The Notes shall be subject to optional redemption and mandatory sinking fund redemption as provided in the Officer's Pricing Certificate.
- (b) Unless the Officer's Pricing Certificate provides otherwise, Notes may be redeemed only in integral multiples of \$5,000 of principal amount. If a Note subject to redemption is in a denomination larger than \$5,000, a portion of such Note may be

redeemed, but only in integral multiples of \$5,000. In selecting portions of Notes for redemption, the Registrar shall treat each Note as representing that number of Notes of \$5,000 denomination which is obtained by dividing the principal amount of such Note by \$5,000. Upon surrender of any Note for redemption in part, the Registrar, in accordance with Section 13 hereof, shall authenticate and deliver in exchange therefor a Note or Notes of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Note so surrendered.

(c) Not less than thirty (30) days prior to a redemption date for the Notes, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Note to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Notes are to be surrendered for payment and, if less than all Notes outstanding are to be redeemed, the numbers of Notes or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Notes or portions thereof to be redeemed. When Notes have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Notes or portions thereof so redeemed shall no longer be regarded to be Outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Note or portion thereof called for redemption shall terminate on the date fixed for redemption.

20. Forms. The form of the Notes, including the 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, which shall be attached or affixed to the Notes initially issued, shall be, respectively, substantially as shown in Exhibit A hereto, with such additions, deletions and variations as are necessary to conform such forms to the Officer's Pricing Certificate and as may be necessary or desirable and not prohibited by this Resolution.

21. Opinion of Bond Counsel; CUSIP. The approving opinion of Andrews Kurth Kenyon LLP and Burney & Foreman, each of Houston, Texas, Co-Bond Counsel, and CUSIP Numbers may be printed on the Notes, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Notes.

22. Debt Service Fund; Pledge; Tax Levy.

(a) A special fund to be designated "Houston Independent School District Maintenance Tax Notes, Series 2017 Debt Service Fund" (the "Debt Service Fund") is hereby created solely for the benefit of the Notes and shall be maintained by the District at an official depository bank of the District for as long as the Notes, or interest thereon, are outstanding and unpaid. The Debt Service Fund shall be used only for paying the principal of and interest on the Notes. The proceeds from all ad valorem maintenance taxes levied, assessed and collected for and on account of the Notes authorized by this Resolution shall

be deposited, as collected, in the Debt Service Fund. Money on deposit in the Debt Service Fund may, at the option of the District, be invested as permitted under Texas law, provided that all such investments shall be made in such manner that the money will be available at the proper time or times. For purposes of maximizing investment returns, money in the Debt Service Fund may be invested with other money of the District in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by the Debt Service Fund are held by or on behalf of the Debt Service Fund. Money in the Debt Service Fund may, to the extent necessary, be used to make any required payments to the federal government under the Code to assure that interest on the Notes is excludable from gross income for federal income tax purposes.

(b) Available funds of the District sufficient to provide for the payment of the interest on and principal of the Notes, as such interest comes due and such principal matures, are hereby pledged irrevocably to such payment. During each year while the Notes or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem maintenance tax upon all taxable property in the District, within the limits prescribed by law, sufficient, together with other available funds of the District, to pay the interest on the Notes as the same becomes due and to pay each installment of the principal of the Notes as the same matures, full allowance being made for delinquencies and costs of collection. Such taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Notes.

(c) There is hereby appropriated from funds currently on hand and available for such purpose an amount sufficient, taking into account any accrued interest received from the sale of the Notes, if any, to pay any debt service on the Notes due prior to receipt of taxes levied to pay such interest.

23. Sale; Purchase Contract; Ratings. The Notes shall be sold and delivered to the Purchaser at a price to be set forth in the Officer's Pricing Certificate and in accordance with the terms of the Purchase Contract (in the case of a private sale or private placement) or the winning bid (in the case of a public sale), which the Authorized Representative is hereby authorized and directed to execute on behalf of the District. The Authorized Representative, the President of the Board of Education, and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Notes.

(a) The President of the Board and the District's Superintendent, Chief Financial Officer and Controller, financial advisor and consultants are authorized hereby to take such actions as the Authorized Representative shall approve in seeking ratings on the Notes from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services and such actions are hereby ratified and confirmed.



24. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for each series or sub-series of the Notes or other obligations of the District is the respective date on which such series or sub-series of the Notes or other obligations of the District is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Notes issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Notes.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Notes shall be computed in accordance with Section 1.148-4 of the Regulations.

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

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the District shall, at all times after the Issue Date of any Note and prior to the last stated maturity of the Notes:

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Notes and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(ii) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Notes or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the District shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the final stated maturity or final payment of the Notes, directly or indirectly invest Gross Proceeds of the Notes in any Investment (or use such Gross

Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Notes.

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

(g) Information Report. The District shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Notes on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the District shall:

(i) account for all Gross Proceeds of the Notes (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of the Notes with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(ii) calculate the Rebate Amount with respect to the Notes not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The District shall maintain a copy of such calculations for at least three years after the final Computation Date,

(iii) as additional consideration for the purchase of the Notes by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(iv) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

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

(j) Not Hedge Bonds. The District will not invest more than 50 percent of the proceeds of the Notes in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Notes, the District will reasonably expect that at least 85 percent of the Net Sale Proceeds of the Notes would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

25. Use of Note Proceeds. Proceeds from the sale of the Notes shall be used for the purposes set out in Section 3 of this Resolution. Proceeds representing accrued interest, if any, shall be deposited to the Debt Service Fund and used to pay the first interest payment due on the Notes. Surplus proceeds of the issuance of the Notes, together with any remaining investment earnings on such proceeds, remaining after completion of the purposes for which the Notes are authorized shall be deposited to the Debt Service Fund.

26. Continuing Disclosure Undertaking.

(a) Annual Reports. If the Notes are sold by public offering and are subject to the Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), the District will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access ("EMMA") system at [www.emma.msrb.org](http://www.emma.msrb.org). The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in the Official Statement authorized by Section 29 of this Resolution, being the information described in the Officer's Pricing Certificate. The District will update and provide this information within six months after the end of each fiscal year. Any financial statements so to be provided shall be (1) prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the District shall provide unaudited financial statements for the applicable fiscal year by the required time, and audited financial statements when and if audited financial statements become available.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference

to any document (including an official statement or other offering document, if it is available from the MSRB).

(b) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Notes:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) 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 Notes, or other material events affecting the tax status of the Notes;
- (vii) Modifications to rights of holders of the Notes, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with Section 29(a) of this Resolution by the time required by such Section.

(c) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an “obligated person” with respect to the Notes within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Texas law that causes Notes no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and the beneficial owners of the Notes, 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 District 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 District’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 District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, 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 UNLIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section may be amended by the District 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, or status or type of principal payment of the District, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Notes in the initial primary offering in compliance with the Rule, taking into account

any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate amount of the outstanding Notes consent to such amendment or (b) a person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions 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 Notes in the primary offering of the Notes. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

27. Related Matters. To satisfy in a timely manner all of the District's obligations under this Resolution and the Purchase Contract, the President, Vice President and Secretary of the Board and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Notes, including, without limitation, executing and delivering on behalf of the District all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the District's obligations under the Purchase Contract and this Resolution and to direct the transfer and application of funds of the District consistent with the provisions of this Resolution.

28. Resolution a Contract – Amendments. This Resolution shall constitute a contract with the Owners from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Note remains Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Owners, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the consent of Owners who own in the aggregate 51% of the principal amount of the Notes then Outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Owners of Outstanding Notes, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Notes, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Notes, (ii) give any preference to any Note over any other Note, or (iii) reduce the aggregate principal amount of Notes required to be held by Owners for consent to any such amendment, addition, or rescission.

When used with reference to the Notes, "Outstanding" shall mean, as of a particular date, all Notes theretofore and thereupon delivered pursuant to this Resolution except: (a) any Notes canceled by or on behalf of the District at or before such date; (b) any Notes defeased pursuant to the defeasance provisions of this Resolution or otherwise defeased as permitted by applicable law; and (c) any Notes in lieu of or in substitution for which a replacement Note shall have been delivered pursuant to this Resolution.

29. Offering Materials. The Authorized Representative is hereby authorized to approve, in the name and on behalf of the District, in connection with the sale of the Notes, the preparation and distribution of (a) a Preliminary Official Statement and a final Official Statement relating to the Notes to be used by the Purchaser in connection with the marketing and public offering of the Notes or (b) such other informational materials as shall be determined by the Authorized Representative to be necessary and appropriate in connection with the private placement of the Notes. The Authorized Representative is hereby authorized to deem “final” the Preliminary Official Statement, except for the omission of no more than the information permitted by Subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission. The Authorized Representative and other appropriate officials of the District are hereby authorized to sign such Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Notes.

30. Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the President of the Board is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Resolution and in the form of the documents attached hereto as exhibits as, in the judgment of the President, and in the opinion of Bond Counsel to the District, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Notes by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Notes or such documents shall be subject to the prior approval of the Board.

31. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Notes or for any claim based thereon, or on this Resolution, against any official or employee of the District or any person executing any Notes.

32. Defeasance. Except as otherwise provided in the Officer’s Pricing Certificate, the District may defease the provisions of this Resolution and discharge its obligation to the Owners of any or all of the Notes to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including (but not limited to) by depositing with the Registrar or with the Comptroller either:

(a) cash in an amount equal to the principal amount of and interest thereon to the date of maturity or earlier redemption, if any, or

(b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder,



without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption, if any;

provided, however, that if any of such Notes are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Resolution. Upon such deposit, such Notes shall no longer be regarded to be outstanding or unpaid. Any surplus amount not required to accomplish such defeasance shall be returned to the District.

33. Declaration of Intent to Reimburse Expenditures. The District has paid within the last 60 days and anticipates that after the date hereof and prior to the issuance of the Notes, it will be obligated to pay certain costs constituting expenditures (the "Expenditures") properly chargeable to a capital account (under general federal income tax principals) in connection with projects being financed, in whole or in part, with the Notes. The aggregate amount of the Expenditures is not expected to exceed \$50,000,000. The District reasonably expects that it will be reimbursed for a portion of the Expenditures with the proceeds of the Notes.

34. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the District or the Registrar shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

District:                      Houston Independent School District  
                                      4400 West 18<sup>th</sup> Street  
                                      Houston, Texas 77092  
                                      Attention: Superintendent

Registrar:                      The address specified in the Paying Agent/Registrar Agreement

35. Legal Holidays. In any case where the date interest accrues and becomes payable on the Notes or principal of the Notes matures or the date fixed for redemption of any Notes or a Record Date shall be in the District a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the District a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the last business day of that calendar month.

36. 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.

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

38. 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.

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

PASSED AND APPROVED this January 12, 2017.

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President, Board of Education  
Houston Independent School District

ATTEST:

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Secretary, Board of Education  
Houston Independent School District

(SEAL)

Exhibit A      –      Form of Officer's Pricing Certificate

**EXHIBIT A****FORM OF OFFICER'S PRICING CERTIFICATE****HOUSTON INDEPENDENT SCHOOL DISTRICT  
MAINTENANCE TAX NOTES, SERIES \_\_\_\_**

THIS OFFICER'S PRICING CERTIFICATE is executed as of \_\_\_\_\_, \_\_\_\_\_, by an Authorized Representative of the Houston Independent School District (the "District") pursuant to the authorization contained in an order of the Board of Education, acting as the governing body of the District, adopted on January 12, 2017 (the "Resolution"), authorizing the issuance of the captioned series of Notes and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein.

Capitalized terms used in this Officer's Pricing Certificate shall have the meanings assigned to them in the Resolution.

1. Designation. The Notes shall be designated as the "Houston Independent School District Maintenance Tax Notes, Series \_\_\_\_."
1. Principal Amount, Maturity Amount, Numbers, Interest Rates and Maturities. The Notes shall be dated \_\_\_\_\_, 20\_\_\_\_, and shall be issued in the total authorized principal amount of \$\_\_\_\_\_.

The Notes shall mature on \_\_\_\_\_ in each of the years and in the amounts set out in the following schedule:

<u>Note Number</u>	<u>Year of Maturity (_____)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1			
R-2			
R-3			

2. Optional Redemption. The Notes maturing on and after \_\_\_\_\_, 20\_\_\_\_ are subject to optional redemption, in whole or, from time to time, in part on any date on or after \_\_\_\_\_, 20\_\_\_\_ at a redemption price of par plus accrued interest. The Capital Appreciation Notes are not subject to redemption prior to maturity.
3. Mandatory Sinking Fund Redemption. The Notes maturing in the years \_\_\_\_\_ and \_\_\_\_\_ will be issued as term Notes (the "Term Notes") and shall be subject to the following mandatory redemption requirements:

TERM NOTES MATURING \_\_\_\_\_, \_\_\_\_\_

Mandatory Redemption Date (_____)	Principal Amount	Redemption Price
		100%
		100
		100
		100

TERM NOTES MATURING \_\_\_\_\_, \_\_\_\_\_

Mandatory Redemption Date (_____)	Principal Amount	Redemption Price
		100%
		100
		100
		100

To the extent that such Term Notes have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Notes so redeemed or purchased.

In lieu of mandatorily redeeming the Term Notes, the District reserves the right to purchase for cancellation Term Notes of the same maturity at a price no greater than the applicable redemption price of such Term Notes.

The Paying Agent/Registrar will select by lot the specific Term Notes (or with respect to Term Notes having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Notes required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Notes having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

- (a) if the District directs the Paying Agent to purchase Notes with money in the debt service fund for the Notes (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Notes purchased will be made against the next mandatory redemption installment due, or

- (b) if the District purchases or redeems Notes with other available moneys, then the principal amount of such Notes will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.

4. Purchase Price. The sale of the Notes is authorized pursuant to the Purchase Contract approved in the Resolution at the following price:

PRINCIPAL AMOUNT	\$ _____
Plus Original Issue Premium	_____
Less Underwriter's Discount	_____
PURCHASE PRICE	\$ _____

It is hereby found and declared that the sale of the Notes pursuant to the Purchase Contract at such price is on the best terms and at the best prices reasonably obtainable by the District.

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

- (i) An amount equal to accrued interest on the Notes, if any, shall be deposited into the Debt Service Fund;
- (ii) Proceeds in the amount of \$\_\_\_\_\_ shall be used to pay costs of issuance.
- (iii) Proceeds in the amount of \$\_\_\_\_\_ shall be used to pay underwriter's discount.
- (iv) Proceeds in the amount of \$\_\_\_\_\_ shall be used for the purposes set out in Section 3(i) of the Resolution.

Any proceeds of the Notes remaining after making all such deposits and payments shall be deposited into the Debt Service Fund and used to pay debt service on the Notes.

5. [It is hereby found, determined and declared that the statements and representations contained in the Preliminary Official Statement are true and correct in all material respects, to the best knowledge and belief of the Authorized Representative, and that, as of the date thereof, the Preliminary Official Statement is an official statement of the District with respect to the Notes that was deemed "final" by the Authorized Representative, except for the omission of no more than the information permitted by Subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.]
6. Form of Note. Pursuant to Section 5 of the Resolution, the Form of Note as set forth in Attachment 1 hereto is hereby approved and supersedes the Form of Note set forth in the Resolution.

8. Registrar. [\_\_\_\_\_] is hereby appointed as Registrar for the Notes.
9. Pursuant to Section 26 of the Resolution, the District shall provide [INSERT (a) TERMS AND CONDITIONS OF CONTINUING DISCLOSURE UNDERTAKING IN SATISFACTION OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 OR (b) STATEMENT OF RULE 15C2-12 EXEMPTION AND ANY INFORMATION TO BE PROVIDED TO THE PURCHASER IN LIEU THEREOF.]
10. Pursuant to Section 5 of the Resolution, we hereby further find and determine that:
  - (a) the maximum principal amount of the Notes equals \$\_\_\_\_\_, which does not exceed \$200,000,000;
  - (b) the net effective interest rate on the Notes is \_\_\_\_\_%, which does not exceed \_\_\_\_\_%; and
  - (b) the maximum maturity of the Notes is \_\_\_\_\_, which is not later than 20 years from the date of the Notes.
11. The undersigned hereby find, determine and declare, that in accordance with the requirements of the Resolution, this Officer's Pricing Certificate complies with and satisfies the terms and provisions of the Resolution in accordance with the delegation contained therein.

WITNESS MY HAND this \_\_\_\_\_, 2017.

---

Authorized Representative  
Houston Independent School District



## ATTACHMENT 1 TO OFFICER'S PRICING CERTIFICATE

FORM OF NOTE

United States of America  
State of Texas

NUMBER  
R-1<sup>1</sup>  
REGISTERED

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

HOUSTON INDEPENDENT SCHOOL DISTRICT  
MAINTENANCE TAX NOTE  
SERIES \_\_\_\_\_

INTEREST RATE<sup>2</sup>:  
%

[DATED/ISSUANCE]  
DATE

MATURITY DATE<sup>2</sup>:  
\_\_\_\_\_, \_\_\_\_

CUSIP<sup>2</sup>:

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Note at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the Principal Amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the [Dated/Issuance] Date specified above, or the most recent interest payment date to which interest has been paid or duly provided

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1 Initial Note shall be numbered T-1.

2 Omitted from the Initial Note.

for.<sup>3</sup> Interest on this Note is payable semiannually on \_\_\_\_\_<sup>4</sup> and \_\_\_\_\_<sup>4</sup> of each year until maturity, beginning \_\_\_\_\_, 20\_\_<sup>4</sup>, by check mailed to the Registered Owner of record as of the last business day of the month next preceding each interest payment date, to the address of such owner as shown on the books of registration kept by the Registrar. Any accrued interest due at maturity shall be paid upon presentation and surrender of this Note at the corporate trust office of the Registrar.

THIS NOTE is one of a duly authorized issue of notes, aggregating \$\_\_\_\_\_<sup>4</sup> (the "Notes") issued for the purpose of (i) providing funds for any lawful maintenance expense of the District, consisting of repair, renovation, and improvements to existing school facilities, environmental cleanup, and the maintenance, repair, rehabilitation, or replacement of building systems of existing school properties, and (ii) paying the costs of issuance of the Notes pursuant to a resolution adopted by the Board of Education of the District on January 12, 2017 (the "Resolution"), and the authority of Section 45.108, Texas Education Code, and Chapter 1371, Texas Government Code.

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem the Notes maturing on \_\_\_\_\_, 20\_\_, and thereafter prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on \_\_\_\_\_, 20\_\_, or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption.

[THE NOTES MATURING ON \_\_\_\_\_, 20\_\_ (the "Term Notes") are subject to mandatory sinking fund redemption in the following amounts (subject to reduction as hereinafter provided), on the following dates, in each case at a redemption price equal to the principal amount of such Term Notes or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

Mandatory Redemption Date (_____)	Principal Amount	Redemption Price
_____	_____	_____

3 The first sentence of the Initial Note shall read as follows:

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the maturity dates specified below, upon presentation and surrender of this Note at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the principal amounts set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Officer's Pricing Certificate], payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the [Dated/Issuance] Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for.

4 To be completed in accordance with the Officer's Pricing Certificate.

TO THE EXTENT THAT such Term Notes have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Notes so redeemed or purchased.

IN LIEU OF MANDATORILY REDEEMING the Term Notes, the District reserves the right to purchase for cancellation Term Notes of the same maturity at a price no greater than the applicable redemption price of such Term Notes.

THE PAYING AGENT/REGISTRAR will select by lot the specific Term Notes (or with respect to Term Notes having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Notes required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Notes having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

- (a) if the District directs the Paying Agent to purchase Term Notes with money in the debt service fund for the Notes (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Notes purchased will be made against the next mandatory redemption installment due, or
- (b) if the District purchases or redeems Term Notes with other available moneys, then the principal amount of such Term Notes will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.]

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered owner of a Note to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Notes or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Notes or portions thereof called for redemption shall terminate on the date fixed for redemption.

THIS NOTE IS TRANSFERABLE only upon presentation and surrender at the corporate trust office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Resolution.

THIS NOTE IS EXCHANGEABLE at the corporate trust office of the Registrar for Notes in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

THE REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Note called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Note called for redemption in part.

THIS NOTE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Note (i) is registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate endorsed hereon or (ii) is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Note, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Resolution.

THE DISTRICT has covenanted in the Resolution that it will at all times provide a legally qualified registrar for the Notes and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Note has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Note have been performed, exist and have been done in accordance with law; that the Notes do not exceed any constitutional or statutory limitation; and that available funds of the District sufficient to provide for the payment of the interest on and principal of this Note, as such interest comes due and such principal matures, have been pledged irrevocably for such payment, which funds include the District's annual ad valorem maintenance tax, which has been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the District.

IN WITNESS WHEREOF, this Note has been signed with the manual or facsimile signature of the President or Vice President of the Board of Education of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Education of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Note.

(SEAL)

HOUSTON INDEPENDENT SCHOOL  
DISTRICT

\_\_\_\_\_  
[Vice] President, Board of Education

\_\_\_\_\_  
[Assistant] Secretary, Board of Education

FORM OF REGISTRATION CERTIFICATE  
OF COMPTROLLER OF PUBLIC ACCOUNTS

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

I hereby certify that this note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this note has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

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

(SEAL)

\* \* \* \* \*

FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

It is hereby certified that this note has been delivered pursuant to the Resolution described in the text of this Note, in exchange for or in replacement of a note, notes or a portion of a note or notes of an issue of notes which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

[\_\_\_\_\_] , as Paying Agent  
Registrar

By: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_  
Date of Authentication: \_\_\_\_\_

## FORM OF ASSIGNMENT

### ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: _____ Signature Guaranteed:	_____ Registered Owner
---------------------------------------	---------------------------

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

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Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF ORDER AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF HOUSTON INDEPENDENT SCHOOL DISTRICT LIMITED TAX SCHOOLHOUSE AND REFUNDING BONDS, SERIES 2017A; AND APPROVAL FOR THE SUPERINTENDENT, CHIEF FINANCIAL OFFICER, OR CONTROLLER TO SELECT UNDERWRITERS AND SELL THE BONDS SUBJECT TO STATED PARAMETERS, AND TO PROCEED WITH ALL OTHER NECESSARY ACTIONS FOR SALE OF THE BONDS**

In November 2012 the voters of the Houston Independent School District (HISD) approved a ballot initiative authorizing the district to issue \$1,890,000,000 for the 2012 bond program for the rebuilding and renovation of district facilities. The district has previously issued four series of bonds to implement the 2012 bond program: the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, and the Series 2016A Bonds, in the total amount of \$1,250,000,000, leaving \$640,000,000 in authorized but unissued bonds pursuant to the 2012 election. The administration recommends authorizing the sale of the remaining \$640,000,000 of bonds for the 2012 bond program. The timing of the sale of the bonds takes into account the requirement that funds be available to encumber contracts as design and/or construction contracts are approved by the board, coupled with the requirement of the Internal Revenue Service that the district expects funds to be expended within three years of issuance to maintain their tax-exempt status to the bondholders.

In addition to the issuance of new money bonds for the 2012 bond program, the administration recommends the current refunding of all of the district's outstanding Limited Tax Refunding Bonds, Series 2005B, in the amount of \$167,640,000 and Limited Tax Refunding Bonds, Series 2007, in the amount of \$248,200,000 to take advantage of lower interest rates and generate savings for the district. The final amount to be refunded could be less based upon the market conditions at the time of sale.

The bonds will be sold as fixed-rate bonds via a negotiated sales process. This agenda item authorizes the superintendent, chief financial officer, or controller to select the underwriting team who will assist the district with the sale of the bonds.

The firms of Andrews Kurth Kenyon LLP and Burney and Foreman are serving as co-bond counsel. The district's financial advisors for the transaction will be selected at a later date.

The rates at which bonds are sold are dependent on what other public fund issues are in the market on a given day, the effect of global economic issues (including fluctuations

in credit markets), as well as yield performance. In order to ensure the bonds are being sold on a day that is advantageous to the district's economic model, it may be necessary to sell the bonds on a day and at a time when the Board of Education is not scheduled to meet. The administration is asking for approval to sell the bonds subject to set parameters. The approval would authorize the superintendent, chief financial officer, or controller to sell the bonds subject to the following parameters:

For the fixed-rate new-money bonds

1. The aggregate principal amount of fixed-rate new-money bonds to be issued will not exceed \$640,000,000;
2. The net effective interest rate of the bonds shall not exceed 5.00%; and
3. The maximum maturity date of the bonds shall be no later than February 15, 2042.

For the fixed-rate refunding bonds

1. The aggregate principal amount of refunding bonds to be issued will not exceed \$415,840,000;
2. The net effective interest rate of the bonds shall not exceed 5.00%;
3. The net present value savings shall be greater than 4.00% of the par amount of the refunded bonds; and
4. The final maturity date of the refunding bonds will not exceed the final maturity date of the refunded bonds.

Any finding by the authorized representative relating to the sale and delivery of the bonds will have the same force and effect as a finding or determination made by the board.

The delegation will expire on January 12, 2018. A report on the results of the sale will be brought forward to the Board of Education.

Meetings will be scheduled with the rating agencies Moody's Investors Service and Standard & Poor's. The bonds will be guaranteed by the Texas Permanent School Fund and are expected to be rated AAA.

The district and its legal and financial advisors will continue to monitor the legal issues surrounding the district's issuance of the bonds. This agenda item allows the administration to move forward with all actions needed to carry out the sale of the Limited Tax Schoolhouse and Refunding Bonds, Series 2017A.

COST/FUNDING SOURCE(S):	Bond issuance costs are a one-time expense and will be paid from the proceeds of the sale of the bonds.
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STAFFING IMPLICATIONS:	None
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ORGANIZATIONAL GOALS/IMPACT: This agenda item supports all six goals of the district and is aligned to Core Initiative 4: Data-Driven Accountability and Core Initiative 5: Culture of Trust through Action.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the order authorizing the issuance, sale, and delivery of HISD Limited Tax Schoolhouse and Refunding Bonds, Series 2017A; and approves authority for the superintendent, chief financial officer, or comptroller to select the underwriters and sell the bonds subject to stated parameters, and to proceed with all other necessary actions for sale of the bonds, effective January 13, 2017.

# CERTIFICATE FOR ORDER

STATE OF TEXAS   §  
COUNTY OF HARRIS   §  
HOUSTON INDEPENDENT SCHOOL DISTRICT                     §

The undersigned officers of the Board of Education (the “Board”) of the Houston Independent School District (the “District”), hereby certify as follows:

1. The Board of the District convened in regular meeting on January 12, 2017, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

_____	, President	_____	, Member
_____	, First Vice President	_____	, Member
_____	, Second Vice President	_____	, Member
_____	, Secretary	_____	, Member
_____	, Assistant Secretary		

and all of such persons were present except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

**ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF HOUSTON INDEPENDENT SCHOOL DISTRICT LIMITED TAX SCHOOLHOUSE AND REFUNDING BONDS, SERIES 2017A; AUTHORIZING AN AUTHORIZED REPRESENTATIVE TO APPROVE THE AMOUNT, INTEREST RATES, PRICE AND TERMS THEREOF AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO; AND CONTAINING OTHER MATTERS RELATED THERETO**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be passed; and, after due discussion, such motion, carrying with it the passage of such Order, prevailed and carried by the following vote:

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTENTIONS \_\_\_\_\_

2. That a true, full and correct copy of such Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that such Order has been duly recorded in such Board's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from such Board's minutes of such meeting pertaining to the passage of such Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and

personally, in advance of the time, place and purpose of such meeting, and that such Order would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; and that such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given all as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED this \_\_\_\_\_, 2017.

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Supervisor, Board Services  
Houston Independent School District

(SEAL)

ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF  
HOUSTON INDEPENDENT SCHOOL DISTRICT LIMITED TAX  
SCHOOLHOUSE AND REFUNDING BONDS, SERIES 2017A;  
AUTHORIZING AN AUTHORIZED REPRESENTATIVE TO APPROVE THE  
AMOUNT, INTEREST RATES, PRICE AND TERMS THEREOF AND  
CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO;  
AND CONTAINING OTHER MATTERS RELATED THERETO

STATE OF TEXAS §  
COUNTY OF HARRIS §  
HOUSTON INDEPENDENT SCHOOL DISTRICT §

WHEREAS, the Board of Education (the “Board”) of the Houston Independent School District (the “District”), by order adopted on August 9, 2012, called an election (the “Election”) for the purpose of obtaining the approval of the resident, qualified electors in the District of the issuance of an aggregate of \$1,890,000,000 in bonds for the purpose of providing funds for the construction, acquisition and equipment of school buildings in the District (including the rehabilitation, renovation, expansion and improvement thereof) and the purchase of the necessary sites therefor;

WHEREAS, the Election was held on November 6, 2012, in accordance with the Constitution and laws of the State of Texas, including the Texas Election Code;

WHEREAS, on November 19, 2012, the Board canvassed the Election returns and found that resident, qualified electors in the District authorized the issuance of \$1,890,000,000 in bonds, as a result of which the District is authorized by the Constitution and laws of the State of Texas, including Sections 45.001 and 45.003(b)(2) of the Texas Education Code, to issue such authorized amount of bonds in accordance with the Election;

WHEREAS, pursuant to Article 2784g, Vernon’s Texas Civil Statutes, as amended, and an election held April 7, 1962, the District is authorized to levy annual ad valorem taxes in an amount not to exceed \$1.70 per \$100 assessed valuation on all taxable property within the District, including \$1.00 per \$100 assessed valuation for debt service;

WHEREAS, as of the date of adoption of this Order there remains \$640,000,000 authorized but unissued bonds pursuant to the Election;

WHEREAS, the District has heretofore issued the bonds described in Schedule I attached hereto and as more particularly described in the Officer’s Pricing Certificate, all or a portion of which it desires to refund in advance of their maturities (the “Refunded Bonds”); and

WHEREAS, the District is authorized by Chapter 1207, Texas Government Code, as amended, to issue refunding bonds for the purpose of refunding the Refunded Bonds and to accomplish such refunding by depositing directly with any place of payment for the Refunded Bonds or a trust company or commercial bank the proceeds from the sale of such refunding bonds, together with any other available funds, an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and pursuant to such chapter such deposit shall constitute the

making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, the Board has determined that it is in the best interests of the District to issue its Limited Tax Schoolhouse and Refunding Bonds, Series 2017A (the “Bonds”), authorized herein for the purpose, in part, of refunding the Refunded Bonds; and

WHEREAS, it is hereby found and determined that the refunding of the Refunded Bonds will result in a net present value debt service savings to the District of at least 4.00% of the principal amount of the Refunded Bonds, and that such savings are sufficient consideration and constitute the public purpose for the issuance of the refunding bonds herein authorized and the refunding of the Refunded Bonds, and such refunding is in the best interest of the District; and

WHEREAS, pursuant to Sections 1207.007 and 1371.053, Texas Government Code, as amended, the District desires to delegate the authority to an Authorized Representative (as defined herein) to effect the sale of the Bonds, from time to time and in one or more installments; and

WHEREAS, upon the issuance of the Bonds and the deposit referred to above, the Refunded Bonds shall no longer be regarded as being outstanding and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the orders authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF EDUCATION OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT:

1. Definitions. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below:

The term “Attorney General” shall mean the Attorney General of Texas.

The term “Authorized Representative” shall mean any one of the Superintendent, the Chief Financial Officer or the Controller of the District.

The term “Board” shall mean the Board of Education of the District.

The term “Bond Purchase Agreement” shall mean the bond purchase agreement between the District and the Underwriters.

The term “Bonds” shall mean one or all of the Houston Independent School District Limited Tax Schoolhouse and Refunding Bonds, Series 2017A (or such other series designation authorized in the Officer’s Pricing Certificate), authorized to be issued as Current Interest Bonds or Capital Appreciation Bonds pursuant to this Order, unless the context clearly indicates otherwise.

The term “Business Day” shall mean any day which is not a Saturday, Sunday, a day on which the Registrar is authorized by law or executive order to remain closed or a legal holiday.

The term “Capital Appreciation Bonds” shall mean any Bonds issued as capital appreciation bonds maturing in the years and in the Maturity Amounts set forth in the Officer’s Pricing Certificate.

The term “Code” shall mean the Internal Revenue Code of 1986, as amended.

The term “Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

The term “Current Interest Bonds” shall mean any Bonds issued as current interest bonds maturing in the years and in the principal amounts set forth in the Officer’s Pricing Certificate.

The term “Debt Service Fund” shall mean the Debt Service Fund established by the District pursuant to Section 22 of this Order.

The term “District” shall mean the Houston Independent School District, and any successor to its duties and functions.

The term “DTC” shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term “DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term “Escrow Agent” shall mean the place of payment for the Refunded Bonds or trust company or commercial bank identified in the Escrow Agreement, and its successors in such capacity.

The term “Escrow Agreement” means the agreement between the District and the Escrow Agent relating to the escrow of funds to pay the Refunded Bonds.

The term “Interest Payment Date,” when used in connection with any Current Interest Bond, shall mean August 15, 2017, and each February 15 and August 15 thereafter until maturity or prior redemption, unless otherwise provided in the Officer’s Pricing Certificate.

The term “Maturity Amount,” as used with respect to any Capital Appreciation Bond, shall mean the amount paid to the Owner thereof at maturity, which shall include both principal and accrued interest.

The term “Officer’s Pricing Certificate” means a certificate signed by an Authorized Representative and containing the information regarding the Bonds specified in Sections 3, 4 and 5 hereof substantially in the form of Exhibit A hereto.

The term “Order” as used herein and in the Bond shall mean this order authorizing the Bonds.

The term “Outstanding,” when used with respect to the Bonds, shall mean, as of a particular date, all Bonds theretofore and thereupon delivered pursuant to this Order except: (a) any Bond cancelled by or on behalf of the District at or before such date; (b) any Bond defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Bond in lieu of or in substitution for which a replacement Bond shall have been delivered pursuant to this Order.

The term “Owner” or “Registered Owner” shall mean any person who shall be the registered owner of any outstanding Bond.

The term “Record Date” shall mean the last business day of the month next preceding each Interest Payment Date.

The term “Refunded Bonds” shall mean those certain bonds issued by the District as set forth in the list of refunding candidates attached hereto as Schedule I and further designated as Refunded Bonds in the Officer’s Pricing Certificate, which are being refunded and defeased with a portion of the proceeds of the Bonds and other legally available funds of the District, if any.

The term “Register” shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

The term “Registrar” shall mean the bank or trust company serving as paying agent and registrar for the Bonds, as determined by the Authorized Representative in the Officer’s Pricing Certificate, and its successors.

The term “Report” means the report of Grant Thornton, LLP Certified Public Accountants, verifying the accuracy of certain mathematical computations relating to each issuance of the Bonds and the Refunded Bonds.

The term “Underwriters” shall mean the purchaser or purchasers of the Bonds identified in the Officer’s Pricing Certificate.

All terms defined herein and all pronouns used in this Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections are for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms and provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Bonds.

2. Authorization. The Bonds shall be issued from time to time in fully registered form, without coupons, to provide funds (i) for the construction, acquisition and equipment of school buildings in the District (including the rehabilitation, renovation, expansion and improvement thereof) and the purchase of the necessary sites therefor, (ii) refunding the Refunded Bonds, and (iii) paying the costs of issuance of the Bonds and of refunding the Refunded Bonds. The Bonds shall be issued under and in strict conformity with the Constitution and laws of the State of Texas,

particularly Chapter 45, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended.

3. Designation and Date. The Bonds shall be designated as the “Houston Independent School District Limited Tax Schoolhouse and Refunding Bonds, Series 2017A,” or as otherwise designated in the Officer’s Pricing Certificate, and shall be dated as provided in the Officer’s Pricing Certificate.

4. Initial Bonds; Numbers, Interest Rates, Interest Payment Dates and Denominations. The Bonds shall mature on dates in each of the years and in the amounts set out in the Officer’s Pricing Certificate, and shall bear interest from the initial date of delivery at the rates set out in the Officer’s Pricing Certificate. Interest on the Current Interest Bonds shall be payable on each February 15 and August 15 commencing on August 15, 2017, or as otherwise set out in the Officer’s Pricing Certificate. Interest on any Capital Appreciation Bonds shall be payable only at maturity. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered (with appropriate prefix) in order of their authentication by the Registrar, shall be in the denomination or Maturity Amount of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

5. Selling and Delivering Bonds. As authorized by Sections 1207.007 and 1371.053, Texas Government Code, the Authorized Representative is hereby authorized to act on behalf of the District from time to time in selling and delivering the Bonds and carrying out the other procedures specified in this Order including, without limitation, determining the manner of sale of the Bonds, determining the date on and price at which the Bonds will be sold, the issuance date and dated date, whether particular Bonds will be issued as Current Interest Bonds or Capital Appreciation Bonds, whether the Bonds will be issued in one or more series and the appropriate distinguishing designation for each such series of Bonds, the years in which the Bonds will mature, the aggregate principal amount of the Bonds, the principal amount or Maturity Amount, as the case may be, to mature in each year of maturity, the rate of interest to be borne by each such maturity, any optional and mandatory sinking fund redemption provisions, defeasance provisions, the aggregate principal amount of Refunded Bonds and the particular bonds of those listed on Schedule I hereto to be Refunded Bonds, and all other matters not expressly provided in this Order relating to the issuance, sale and delivery of the Bonds, including the refunding of the Refunded Bonds, all of which shall be specified in the Officer’s Pricing Certificate, substantially in the form attached hereto as Exhibit A; provided that:

- (i) for Bonds issued for the purposes described in clause (i) of Section 2 hereof,
  - A. the aggregate of principal amount thereof plus any premium charged against voted authority may not exceed a maximum of \$640,000,000;
  - B. the net effective interest rate on the Bonds shall not exceed 5.00%; and
  - C. the maximum maturity date of the Bonds shall be no later than February 15, 2042.



(ii) for Bonds issued for the purposes described in clause (ii) of Section 2 hereof,

- A. the aggregate of principal amount thereof may not exceed a maximum of \$415,840,000;
- B. the net effective interest rate on the Bonds shall not exceed 5.00%;
- C. the net present value debt service savings to the District resulting from the refunding of the Refunded Bonds shall be at least 4.00% of the principal amount of the Refunded Bonds; and
- D. the final maturity date of the Bonds issued to refund the Refunded Bonds will not exceed the final maturity date of the Refunded Bonds.

Any finding by the Authorized Representative relating to the sale and delivery of the Bonds and the designation of particular bonds to be refunded shall have the same force and effect as a finding or determination made by the Board. The authority conferred by this Section shall expire at 11:59 p.m. on January 11, 2018.

6. Execution of Bonds; Seal. The Bonds shall be signed by the President or Vice President of the Board and countersigned by the Secretary of the Board or Assistant Secretary of the Board, by their manual, lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such Officer's, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature shall be on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

7. Approval by Attorney General; Registration by Comptroller. The Bonds to be initially issued shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The President or Vice President and the Secretary or Assistant Secretary of the Board are authorized hereby to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the President or the Vice President and the Secretary or Assistant Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Bonds by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Section 20 of this Order, and such certificate shall be affixed or attached to the Bonds to be initially

issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon. The Bonds shall initially be registered in the name of the Underwriters.

8. Authentication. Except for the Bonds to be initially issued, which need not be authenticated by the Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Exhibit A of this Order, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Registrar hereunder.

9. Payment of Principal and Interest. The Registrar is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, substantially in the form presented at the meeting at which this Order was adopted, which is hereby authorized and approved by the Board and which the appropriate officials of the District are hereby authorized to execute. The officers of the District are each hereby authorized to execute, attest and affix the District's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial registrar and paying agent and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Registrar and the District and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order. All money transferred to the Registrar in its capacity as registrar or paying agent for the Bonds under this Order (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the District, shall be the property of the District and shall be disbursed in accordance with this Order. Subject to the provisions of Section 12, all matured Bonds presented to the Registrar for payment shall be paid without the necessity of further instructions from the District. Such Bonds shall be cancelled as provided herein.

The principal or redemption price of the Current Interest Bonds and the Maturity Amount of Capital Appreciation Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, at the corporate trust office of the Registrar. The interest on each Current Interest Bond shall be payable by check on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register. Any accrued interest payable at maturity on a Current Interest Bond shall be paid upon presentation and surrender of such Bond at the corporate trust office of the Registrar.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

10. Successor Registrars. The District covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Registrar for the Bonds. The District reserves the right to change the Registrar for the Bonds on not less than sixty (60) days' written notice to the Registrar, as long as any such

notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or a copy thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Order.

11. Special Record Date. If interest on any Current Interest Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of record of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

12. Ownership; Unclaimed Principal and Interest. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Registrar to the District upon receipt by the Registrar of a written request therefor from the District. The Registrar shall have no liability to the Owners of the Bonds by virtue of actions taken in compliance with this Section.

13. Registration, Transfer and Exchange. As long as any Bonds remain Outstanding, the Registrar shall keep the Register at its corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds of the same type (Current Interest or Capital Appreciation), registered in the name of the transferee or transferees, in authorized denominations and of the same

maturity and aggregate principal amount (for Current Interest Bonds) or Maturity Amount (for Capital Appreciation Bonds) and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the corporate trust office of the Registrar for a Bond or Bonds of the same type (Current Interest or Capital Appreciation), maturity and interest rate and in any authorized denomination or Maturity Amount, in an aggregate principal amount equal to the unpaid principal amount or Maturity Amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

The Registrar shall not be required to transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Owner of the unredeemed portion of a Bond called for redemption in part.

14. Book-Entry Only System. The definitive Bonds 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 DTC, and except as provided in Section 16 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the 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 Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Registrar shall have no responsibility or obligation to any DTC Participant 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 District and the Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Register, of any notice with respect to the Bonds, or (c) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds.

Except as provided in Section 16 of this Order, the District and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and

interest on Bonds and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register 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 District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order.

15. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Order to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

16. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the District or the Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the District to DTC and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certified Bonds, the District or the Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC 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 Register 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 Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

17. Mutilated, Lost or Stolen Bonds. Upon the presentation and surrender to the Registrar of a damaged or mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (a) furnish to the District and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;

(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of a replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

18. Cancellation of Bonds. All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment or redemption. The Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

19. Redemption Prior to Maturity.

(a) The Bonds are subject to optional and/or mandatory redemption as set forth in the Form of Bonds and in the Officer's Pricing Certificate.

(b) Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Bond to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the numbers of Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded to

be Outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

20. Forms. The form of the Bonds, including the form of the 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, which shall be attached or affixed to the Bonds initially issued, shall be, respectively, substantially as shown in Exhibit A hereto, with such additions, deletions and variations as are necessary to conform such forms to the Officer's Pricing Certificate and as may be necessary or desirable and not prohibited by this Order.

21. Opinion of Bond Counsel; CUSIP. The approving opinion of Andrews Kurth Kenyon LLP and Burney & Foreman, each of Houston, Texas, Co-Bond Counsel, and CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Bonds.

22. Debt Service Fund; Tax Levy.

(a) A special fund to be designated "Houston Independent School District Limited Tax Schoolhouse and Refunding Bonds, Series 2017A Debt Service Fund" (the "Debt Service Fund") is hereby created solely for the benefit of the Bonds and shall be maintained by the District at an official depository bank of the District for as long as the Bonds, or interest thereon, are outstanding and unpaid. The proceeds from (i) all ad valorem debt service taxes levied, assessed and collected for and on account of the Bonds authorized by this Order and (ii) state aid, if any, that is required by law to be deposited into the Debt Service Fund shall be deposited, as collected, in the Debt Service Fund. Money on deposit in the Debt Service Fund may, at the option of the District, be invested as permitted under Texas law, provided that all such investments shall be made in such manner that the money will be available at the proper time or times. For purposes of maximizing investment returns, money in the Debt Service Fund may be invested with other money of the District in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by the Debt Service Fund are held by or on behalf of the Debt Service Fund. Money in the Debt Service Fund may, to the extent necessary, be used to make any required payments to the federal government under the Code to assure that interest on the Bonds is excludable from gross income for federal income tax purposes.

(b) During each year while the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax upon all taxable property in the District, within the limits prescribed by law, sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same

matures, full allowance being made for delinquencies and costs of collection; provided that the annual aggregate bond taxes in the District shall never be more than \$1.00 on each \$100 valuation of taxable property in the District; provided further that the amount of tax levied shall take into account the proceeds of state aid payments, if any, on deposit in the Debt Service Fund for the Bonds. Such taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and to no other purpose.

(c) Unless the Officer's Pricing Certificate provides otherwise, the District hereby appropriates, from current funds on hand and legally available therefor, funds sufficient, when added to the accrued interest received from the sale of the Bonds, to pay the debt service on the Bonds payable on August 15, 2017.

23. Sale; Bond Purchase Agreement; PSF Guarantee; Ratings. The Bonds shall be sold and delivered to the Underwriters at a price to be set forth in the Officer's Pricing Certificate and in accordance with the terms of the Bond Purchase Agreement. Upon completion of the terms of the Officer's Pricing Certificate, the Authorized Representative is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the District, and the President of the Board of Education, Superintendent, Chief Financial Officer, Controller and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

The District's application and payment of a fee for a guarantee of the principal of and interest on the Bonds by the Permanent School Fund of the State of Texas is hereby authorized, approved, ratified and confirmed. The appropriate officials and representatives of the District are hereby authorized and directed to execute such documents and certificates and to do any and all things necessary or desirable to obtain such guarantee, and the printing on the Bonds of an appropriate legend or statement regarding such guarantee, as provided by the Texas Education Agency, is hereby approved. The President of the Board and the District's Superintendent, Chief Financial Officer and Controller, financial advisor and consultants are authorized hereby to take such actions as the President of the Board shall approve in seeking ratings on the Bonds from one or more nationally recognized statistical ratings organizations, and such actions are hereby ratified and confirmed.

24. Covenants to Maintain Tax Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

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

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

"Gross Proceeds" has the meaning stated in Section 1.148-1(b) of the Regulations.



“Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Issue Date” for the Bonds or other obligations of the District is the respective date on which such Bonds or other obligations of the District is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in Section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in Section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to Sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Bonds.

“Yield of”

(1) any Investment shall be computed in accordance with Section 1.148-5 of the Regulations, and

(2) the Bonds shall be computed in accordance with Section 1.148-4 of the Regulations.

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

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the District shall, at all times after the Issue Date of any Bond and prior to the last stated maturity of the Bonds:

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds) and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(ii) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds) other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross Proceeds of the Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Bonds.

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

(g) Information Report. The District shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, the District shall:

(i) account for all Gross Proceeds of the Bonds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least nine years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

(ii) calculate the Rebate Amount with respect to the Tax-Exempt Bonds not less frequently than each Computation Date, in accordance with rules set forth in Section 148(f) of the Code, Section 1.148-3 of the Regulations, and the rulings thereunder. The District shall maintain a copy of such calculations for at least three years after the final Computation Date,

(iii) as additional consideration for the purchase of the Bonds by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the regulations and rulings thereunder, and

(iv) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the District shall not, at any time after the Issue Date of the Bonds and prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Not Hedge Bonds. The District did not invest more than 50 percent of the Proceeds of the Refunded Bonds, and will not invest more than 50 percent of the proceeds of the Bonds, in Nonpurpose Investments having a guaranteed yield for four years or more. On the Issue Date of the Bonds, the District will reasonably expect, and on the Issue Date of the Refunded Bonds, the District reasonably expected, that at least 85 percent of the Net Sale Proceeds of the Bonds and Refunded Bonds, respectively, would be used to carry out the governmental purpose of such series within three years after the Issue Date of such series.

25. Deposit of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the District, be applied as set forth in the Officer's Pricing Certificate.

26. Defeasance of Refunded Bonds. Pursuant to Section 1207.007, Texas Government Code, as amended, the Board hereby authorizes and directs that the Refunded Bonds shall be paid in the amounts and on the dates determined by the Authorized Representative, and the Authorized Representative is hereby authorized and directed to identify the specific maturities of the Refunding Candidates to be refunded and the amount, if any, of available funds to be deposited in the Escrow Fund for the Refunded Bonds. In addition, the Authorized Representative may execute and deliver an escrow agreement, a deposit agreement or a similar agreement, a letter of instructions or any other instrument relating to the safekeeping, investment, administration and disposition of moneys deposited to effect the defeasance of the Refunded Bonds in such form and subject to such terms and conditions as the Authorized Representative determines may be necessary or convenient to carry out the intent and purpose of this Order.

27. Redemption Prior to Maturity of Refunded Bonds. To maximize the District's present value savings and to minimize the District's costs of refunding, the District hereby authorizes and directs that the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in the Officer's Pricing Certificate, and the appropriate officials of the District are hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

28. Purchase of Defeasance Securities. The Authorized Representative and the Escrow Agent are hereby authorized (a) to subscribe for, agree to purchase, and purchase securities that are permitted investments for a defeasance escrow established to defease the Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to direct and provide for such contributions to the escrow fund as are provided in the Escrow Agreement.

29. Continuing Disclosure Undertaking.

(a) Annual Reports. The District will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access ("EMMA") system at [www.emma.msrb.org](http://www.emma.msrb.org). The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in the Official Statement authorized by Section 33, as determined by the Authorized Representative and identified in the Officer's Pricing Certificate. The District will update and provide this information within six months after the end of each fiscal year. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles prescribed by the Texas State Board of Education or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be

provided. If audited financial statements are not so provided, then the District shall provide unaudited financial statements for the applicable fiscal year by the required time, and audited financial statements when audited financial statements become available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document), if it is available from the MSRB.

(b) The District shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) 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;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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; and

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with Section 29(a) of this Order by the time required by such Section.

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

The provisions of this Section are for the sole benefit of the holders and the 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 District 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 District’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 District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, 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 UNLIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section may be amended by the District 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, or status or type of principal payment of the District, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the initial primary offering in compliance with the Rule, taking into account

any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate amount of the outstanding Bonds consent to such amendment or (b) a person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions 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. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

30. Permanent School Fund Guarantee Program. The District covenants to comply timely 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 of and interest on the Bonds by the Permanent School Fund of the State of Texas. Upon defeasance of the Bonds, either at or prior to maturity in accordance with applicable law, the guarantee of the principal of and interest on the Bonds by the Permanent School Fund of the State of Texas shall be removed in its entirety. If the District is unable to pay the principal of or interest on a guaranteed Bond, the amount necessary to pay the principal or interest will be transferred to the Registrar for the Bonds from the Permanent School Fund of the State of Texas, and the amounts so transferred, plus interest, will be withheld by the Comptroller from the first State money payable to the District, first from the Foundation School Fund and, if necessary, from the Available School Fund.

31. Related Matters. To satisfy in a timely manner all of the District's obligations under this Order and the Bond Purchase Agreement, the President, Vice President and Secretary of the Board and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds and refunding of the Refunded Bonds, including, without limitation, executing and delivering on behalf of the District all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the District's obligations under the bond purchase agreement and this Order and to direct the transfer and application of funds of the District consistent with the provisions of this Order.

32. Order a Contract - Amendments. This Order shall constitute a contract with the Owners from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Owners, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the consent of Owners who own in the aggregate 51% of the principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Owners of Outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the

Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

When used with reference to the Bonds, “Outstanding” shall mean, as of a particular date, all Bonds theretofore and thereupon delivered pursuant to this Order except: (a) any Bonds canceled by or on behalf of the District at or before such date; (b) any Bonds defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Bonds in lieu of or in substitution for which a replacement Bond shall have been delivered pursuant to this Order.

33. Official Statement. The Board hereby authorizes and approves, in connection with the sale of the Bonds, the preparation and distribution of a Preliminary Official Statement in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement containing such additional information and amendments as may be necessary to conform to the terms of the Bonds, this Order, the Officer’s Pricing Certificate and the Bond Purchase Agreement for the Bonds. The appropriate officials of the District, including the Authorized Representative, are hereby authorized to deem “final” the Preliminary Official Statement, except for the omission of no more than the information permitted by Subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, and to sign such final Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

34. Power to Revise Form of Documents. That, notwithstanding any other provision of this Order, the President of the Board is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Order and in the form of the documents attached hereto as exhibits as, in the judgment of the President, and in the opinion of Bond Counsel to the District, may be necessary or convenient to carry out or assist in carrying out the purposes of this Order, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the Board and the provisions of Section 32 of this Order.

35. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Bonds.

36. Defeasance. Except as otherwise provided in the Officer’s Pricing Certificate, the District may defease the provisions of this Order and discharge its obligation to the Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including (but not limited to) by depositing with the Registrar or with the Comptroller either:



(a) cash in an amount equal to the principal amount of and interest thereon to the date of maturity or earlier redemption, if any, or

(b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption, if any;

provided, however, that if any of such Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Order. Upon such deposit, such Bonds shall no longer be regarded to be outstanding or unpaid. Any surplus amount not required to accomplish such defeasance shall be returned to the District.

37. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the District or the Registrar shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

District: Houston Independent School District  
4400 West 18<sup>th</sup> Street  
Houston, Texas 77092  
Attention: Superintendent

Registrar: The address specified in the Paying Agent/Registrar Agreement

38. Legal Holidays. In any case where the date interest accrues and becomes payable on the Bonds or principal of the Bonds matures or the date fixed for redemption of any Bonds or a Record Date shall be in the District a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the District a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no

interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the last business day of that calendar month.

39. Open Meeting. It is hereby officially found and determined that the meeting at which this Order 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.

40. Effective Date. This Order shall be in full force and effect from and upon its adoption.

41. Severability. If any section, paragraph, clause or provision of this Order 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 Order.

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

PASSED AND APPROVED this January 12, 2017.

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President, Board of Education  
Houston Independent School District

ATTEST:

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Secretary, Board of Education  
Houston Independent School District

(SEAL)

Schedule I      –      Refunding Candidates

Exhibit A      –      Form of Officer's Pricing Certificate

**SCHEDULE I**  
**REFUNDING CANDIDATES**

Limited Tax Refunding Bonds, Series 2005B

Limited Tax Refunding Bonds, Series 2007

**EXHIBIT A****FORM OF OFFICER'S PRICING CERTIFICATE**

**HOUSTON INDEPENDENT SCHOOL DISTRICT  
LIMITED TAX SCHOOLHOUSE AND REFUNDING BONDS, SERIES 2017A**

THIS OFFICER'S PRICING CERTIFICATE is executed as of \_\_\_\_\_, 2017, by the \_\_\_\_\_ of the Houston Independent School District (the "District") pursuant to the authorization contained in an order of the Board of Education, acting as the governing body of the District, adopted on January 12, 2017 (the "Order"), authorizing the issuance of the captioned series of bonds and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein.

Capitalized terms used in this Officer's Pricing Certificate shall have the meanings assigned to them in the Order.

1. Principal Amount, Maturity Amount, Numbers, Interest Rates and Maturities. The Bonds shall be dated \_\_\_\_\_, 2017, and shall be issued in the total authorized principal amount of \$\_\_\_\_\_ consisting of \$\_\_\_\_\_ issued as capital appreciation bonds (the "Capital Appreciation Bonds") and \$\_\_\_\_\_ issued as current interest bonds (the "Current Interest Bonds").

The Current Interest Bonds shall mature on February 15 in each of the years and in the amounts set out in the following schedule:

<u>Bond Number</u>	<u>Year of Maturity (February 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1			
R-2			
R-3			

The Capital Appreciation Bonds shall mature on February 15 in each of the years and in the amounts set out in the following schedule:

<u>Bond Number</u>	<u>Year of Maturity (February 15)</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Maturity Amount</u>
CR-1				
CR-2				
CR-3				

2. Optional Redemption. [The Bonds are not subject to redemption prior to maturity.] [The Current Interest Bonds maturing on and after February 15, \_\_\_\_ are subject to optional redemption, in whole or, from time to time, in part on any date on or after February 15, \_\_\_\_ at a redemption price of par plus accrued interest.] [The Capital

Appreciation Bonds maturing on and after \_\_\_\_\_ are subject to optional redemption, in whole or, from time to time, in part on any date on or after \_\_\_\_\_ at a redemption price of \_\_% of the accreted value on the redemption date.] [The Capital Appreciation Bonds are not subject to redemption prior to maturity.]

3. [Mandatory Sinking Fund Redemption]. The Bonds maturing in the years \_\_\_\_\_ and \_\_\_\_\_ will be issued as term bonds (the "Term Bonds") and shall be subject to the following mandatory redemption requirements:

TERM BONDS MATURING FEBRUARY 15, \_\_\_\_\_

Mandatory Redemption Date (February 15)	Principal Amount	Redemption Price
		100%
		100
		100
		100

To the extent that such Term Bonds have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

In lieu of mandatorily redeeming the Term Bonds, the District reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

The Paying Agent/Registrar will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

- (a) if the District directs the Paying Agent to purchase Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Bonds purchased will be made against the next mandatory redemption installment due, or

- (b) if the District purchases or redeems Bonds with other available moneys, then the principal amount of such Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.]

4. Purchase Price. The sale of the Bonds is authorized pursuant to the Bond Purchase Agreement approved in the Order at the following price:

PRINCIPAL AMOUNT	\$ _____
Plus Original Issue Premium	_____
Less Underwriter's Discount	_____
PURCHASE PRICE	\$ _____

It is hereby found and declared that the sale of the Bonds pursuant to the Bond Purchase Agreement at such price is on the best terms and at the best prices reasonably obtainable by the District.

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

- (a) An amount equal to accrued interest on the Bonds, if any, shall be deposited into the Debt Service Fund;
- (b) Proceeds in the amount \$ \_\_\_\_\_ shall be used to pay costs of issuance;
- (c) Proceeds in the amount of \$ \_\_\_\_\_ shall be used to pay underwriter's discount;
- (c) Proceeds in the amount \$ \_\_\_\_\_, including premium in the amount \$ \_\_\_\_\_, shall be used for the purposes set forth in clause (i) of Section 2 of the Order.
- (d) Proceeds in the amount of \$ \_\_\_\_\_, together with other available funds of the District in the amount of \$ \_\_\_\_\_ shall be [deposited directly with the Paying Agent/Registrar for the Refunded Bonds and used to][applied to establish an escrow fund under the Escrow Agreement] to refund the Refunded Bonds, and to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Bonds, as approved by the District; and
- (d) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund and used to pay debt service on the Bonds.

6. The Refunded Bonds shall be those bonds identified in Attachment 1 hereto.

7. Form of Bond. Pursuant to Section 5 of the Order, the Form of Bond as set forth in Attachment 2 hereto is hereby approved and supersedes the Form of Bond set forth in the Order.
8. Registrar. [\_\_\_\_\_] is hereby appointed as Registrar for the Bonds.
9. Defeasance of Refunded Bonds. [The Escrow Agreement attached as Attachment 3 hereto is hereby approved.] Pursuant to Sections 26 and 28 of the Order, \$\_\_\_\_\_ from the proceeds of the Bonds shall be deposited [into the Escrow Fund created pursuant to the Escrow Agreement][with the paying agent for the Refunded Bonds] and applied to refund the Refunded Bonds.
10. Pursuant to Section 29 of the Order, the District shall provide updated financial information and operating data to the MSRB each year to the extent, by the times, subject to the exceptions noted, and as provided in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."
11. Pursuant to Section 33 of the Order, the Preliminary Official Statement is hereby deemed final as of its date (subject to permissible omissions described in Rule 15c2-12) within the meaning of the provisions of 17 C.F.R § 250. 15c2- 12(b)(1), and the preparation and distribution of the final Official Statement in the reoffering of the Bonds by the Underwriters is hereby approved
12. Pursuant to Sections 2 and 5 of the Order, we hereby further find and determine that:
  - (i) with respect to the Bonds issued for the purposes described in clause (i) of section 2,
    - A. the aggregate of principal amount thereof plus the premium charged against voted authority equals \$\_\_\_\_\_, which does not exceed \$640,000,000;
    - B. the net effective interest rate of the Bonds is \_\_\_\_\_%, which does not exceed 5.00%; and
    - C. the maximum maturity date is \_\_\_\_\_, \_\_\_\_\_, which is not later than February 15, 2042,
  - (ii) with respect to the Bonds issued for the purposes described in clause (ii) of section 2,
    - A. the aggregate of principal amount thereof is \$\_\_\_\_\_, which does not exceed \$415,840,000;
    - B. the net effective interest rate of the Bonds is \_\_\_\_\_%, which does not exceed 5.00%; and



- C. the net present value debt service savings to the District resulting from the refunding of the Refunded Bonds is \_\_\_\_\_\$, which is at least 4.00% of the principal amount of the Refunded Bonds, as shown on Attachment 4 hereto;
  - D. the final maturity date of the Bonds issued to refund the Refunded Bonds is \_\_\_\_\_, which does not exceed the final maturity date of the Refunded Bonds.
13. After issuance of the Bonds (for which \$\_\_\_\_\_ in principal amount and \$\_\_\_\_\_ in net premium counts against voted authority), the District will have remaining \$\_\_\_\_\_ in authorized but unissued voted authorization pursuant to the Election.
14. The undersigned hereby find, determine and declare, that in accordance with the requirements of the Order, this Officer's Pricing Certificate complies with and satisfies the terms and provisions of the Order in accordance with the delegation contained therein.

WITNESS MY HAND this \_\_\_\_\_, 2017.

---

Authorized Representative  
Houston Independent School District

## ATTACHMENT 1 TO OFFICER'S PRICING CERTIFICATE

## DESCRIPTION OF REFUNDED BONDS

Limited Tax Refunding Bonds, Series 2005B

Limited Tax Refunding Bonds, Series 2007

## ATTACHMENT 2 TO OFFICER'S PRICING CERTIFICATE

## FORM OF BOND

FORM OF CURRENT INTEREST BOND

United States of America  
State of Texas

NUMBER  
R-1  
REGISTERED

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

HOUSTON INDEPENDENT SCHOOL DISTRICT  
LIMITED TAX SCHOOLHOUSE AND REFUNDING BOND  
SERIES 2017A

INTEREST RATE<sup>2</sup>:  
%

[DATED/ISSUANCE]  
DATE:

MATURITY DATE<sup>2</sup>:  
February 15, \_\_\_\_

CUSIP<sup>2</sup>:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the Principal Amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the [Dated/Issuance] Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for.<sup>3</sup> Interest

1 Initial Bond shall be numbered T-1.

2 Omitted from the Initial Bond.

3 The first sentence of the Initial Bond shall read as follows:

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the maturity dates specified below, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the principal amounts set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Officer's Pricing Certificate], payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated

on this bond is payable semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year until maturity, beginning \_\_\_\_\_, 2017, by check mailed to the Registered Owner of record as of the last business day of the month next preceding each interest payment date, to the address of such owner as shown on the books of registration kept by the Registrar. Any accrued interest due at maturity shall be paid upon presentation and surrender of this Bond at the corporate trust office of the Registrar.

THIS BOND is one of a duly authorized issue of bonds, aggregating \$\_\_\_\_\_ <sup>4</sup> (the "Bonds") of which \$\_\_\_\_\_ <sup>4</sup> are issued as capital appreciation bonds and \$\_\_\_\_\_ <sup>4</sup> are issued as current interest bonds (the "Current Interest Bonds"), issued for the purposes of (i) constructing, acquiring and equipping school buildings in the District (including the rehabilitation, renovation, expansion and improvement thereof) and the purchase of the necessary sites therefor, and (ii) refunding the Refunded Bonds, all as described in an order adopted by the Board of Education of the District on January 12, 2017 (the "Order"), including paying the costs of issuance of the Bonds and of refunding the Refunded Bonds, all pursuant to the authority of Chapter 45, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended. This Bond is a Current Interest Bond.

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem the Bonds maturing on February 15, 20\_\_\_\_, and thereafter prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on February 15, 20\_\_\_\_, or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption.

THE BONDS MATURING ON February 15, 20\_\_\_\_ (the "Term Bonds") are subject to mandatory sinking fund redemption in the following amounts (subject to reduction as hereinafter provided), on the following dates, in each case at a redemption price equal to the principal amount of such Term Bonds or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

Mandatory Redemption Date (February 15)	Principal Amount	Redemption Price
_____	_____	_____

TO THE EXTENT THAT such Term Bonds have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

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on the basis of a 360-day year of twelve 30-day months, from the later of the Issuance Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for.

IN LIEU OF MANDATORILY REDEEMING the Term Bonds, the District reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

THE PAYING AGENT/REGISTRAR will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

(a) if the District directs the Paying Agent to purchase Term Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Bonds purchased will be made against the next mandatory redemption installment due, or

(b) if the District purchases or redeems Term Bonds with other available moneys, then the principal amount of such Term Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the corporate trust office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Registrar for bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THE REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.<sup>4</sup>

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this bond has been signed with the manual or facsimile signature of the President or Vice President of the Board of Education of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Education of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this bond.

(SEAL)

HOUSTON INDEPENDENT SCHOOL  
DISTRICT

\_\_\_\_\_  
[Vice] President, Board of Education

\_\_\_\_\_  
[Assistant] Secretary, Board of Education

\_\_\_\_\_  
4 In the Initial Bond, this paragraph shall read:

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate endorsed hereon.

FORM OF CAPITAL APPRECIATION BOND

United States of America  
State of Texas

NUMBER  
CR-1<sup>5</sup>  
REGISTERED

MATURITY AMOUNT  
\$ \_\_\_\_\_  
REGISTERED

HOUSTON INDEPENDENT SCHOOL DISTRICT  
LIMITED TAX SCHOOLHOUSE AND REFUNDING BOND  
SERIES 2017A

INTEREST RATE<sup>7</sup>:  
%

ISSUANCE DATE:

MATURITY DATE<sup>6</sup>:  
February 15, \_\_\_\_

CUSIP<sup>7</sup>:

REGISTERED OWNER:

MATURITY AMOUNT:

DOLLARS

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the Maturity Amount identified above, representing the principal amount hereof and accrued and compounded interest hereon, payable in any coin or currency of the United States of America which on the date of payment of such Maturity Amount is legal tender for the payment of debts due the United States of America.<sup>7</sup> The date of this Bond is \_\_\_\_\_, 2017, but compound interest shall accrue on the principal amount hereof from the Issuance Date at the per annum rate specified above. The accreted value (per \$5,000 of Maturity Amount) as of the date of issuance and as of the maturity date is set forth on the reverse hereof. Such value as of any other date shall be determined by straight-line interpolation between such values.

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5 Initial Bond shall be numbered CT-1.

6 Omitted from the Initial Bond.

7 The first sentence of the Initial Bond shall read as follows:

HOUSTON INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the maturity dates specified below, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the "Registrar"), the Maturity Amounts set forth in the following schedule: [Insert information regarding years of maturity, Maturity Amounts and interest rates from Officer's Pricing Certificate], each representing the principal amount hereof and accrued and compounded interest hereon, payable in any coin or currency of the United States of America which on the date of payment of such Maturity Amount is legal tender for the payment of debts due the United States of America.

THIS BOND is one of a duly authorized issue of bonds, aggregating \$\_\_\_\_\_ (the “Bonds”) of which \$\_\_\_\_\_ are issued as capital appreciation bonds (the “Capital Appreciation Bonds”) and \$\_\_\_\_\_ are issued as current interest bonds, issued for the purposes of (i) constructing, acquiring and equipping school buildings in the District (including the rehabilitation, renovation, expansion and improvement thereof) and the purchase of the necessary sites therefor, and (ii) refunding the Refunded Bonds, all as described in an order adopted by the Board of Education of the District on January 12, 2017 (the “Order”), including paying the costs of issuance of the Bonds and of refunding the Refunded Bonds, all pursuant to the authority of Chapter 45, Texas Education Code, as amended, and Chapters 1207 and 1371, Texas Government Code, as amended. This Bond is a Capital Appreciation Bond.

THIS BOND is not subject to redemption prior to maturity.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the corporate trust office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Registrar for bonds in the maturity amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.<sup>8</sup>

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest

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<sup>8</sup> In the Initial Bond, this paragraph shall read:

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate endorsed hereon.



comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this bond has been signed with the manual or facsimile signature of the President or Vice President of the Board of Education of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Education of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this bond.

HOUSTON INDEPENDENT SCHOOL  
DISTRICT

(SEAL)

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[Vice] President, Board of Education

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[Assistant] Secretary, Board of Education

TABLE OF ACCRETED VALUES

The Accreted Value, initial offering price (all per \$5,000 of Maturity Amount), together with the yield to maturity are as follows. Accreted Values are calculated based on the initial offering price and yield to maturity and, except at maturity, do not equal principal amount plus accrued interest.

DATE  
\_\_\_\_\_

Form of Registration Certificate  
OF COMPTROLLER OF PUBLIC ACCOUNTS

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

I hereby certify that this bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

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

(SEAL)

\* \* \* \* \*

FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Order described in the text of this Bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

[\_\_\_\_\_], as Paying  
Agent Registrar

By: \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Date of Authentication: \_\_\_\_\_

### Form of Assignment

#### ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: \_\_\_\_\_  
Signature Guaranteed: \_\_\_\_\_ Registered Owner \_\_\_\_\_

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

\*\*\*\*

### FORM OF PERMANENT SCHOOL FUND CERTIFICATE

#### PERMANENT SCHOOL FUND CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Houston Independent School District of its Limited Tax Refunding Bonds, Series 2017A, dated \_\_\_\_\_, 2017, in the principal amount of \$\_\_\_\_\_ is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.

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Commissioner of Education  
State of Texas

ATTACHMENT 3 TO OFFICER'S PRICING CERTIFICATE  
ESCROW AGREEMENT

ATTACHMENT 4 TO OFFICER'S PRICING CERTIFICATE  
PRESENT VALUE DEBT SERVICE SAVINGS CALCULATION

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

Office of Finance  
To Be Determined, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION DESIGNATING OFFICERS AND ADMINISTRATORS AUTHORIZED TO ACT ON BEHALF OF THE HOUSTON INDEPENDENT SCHOOL DISTRICT IN ALL MATTERS IN CONNECTION WITH DEPOSITORY CONTRACTS AND ALL OTHER BANKING AND INVESTMENT MATTERS**

The Board of Education designates through a resolution the officers and administrators who will be authorized to act on behalf of the district in depository contract matters and all other banking and investment matters that include the following:

- signing of payroll, operating, and workers' compensation accounts
- approval for funds transfers among the district's bank accounts
- approval of funds disbursement and interbank transfers via Automatic Clearing House or wire transfers
- acceptance or release of securities for collateralization of funds at the depository bank
- investments—purchase and sale of treasury or agency securities, commercial paper, and any other investments authorized by the district's *Cash Management and Investment Policy*
- investments—deposits to and withdrawals from Texpool, Lone Star Investment Pool, and other authorized money-market funds
- other banking matters such as (1) use of other banking services for processing of claims; and (2) the pledge, release, and substitution of collateral securities
- miscellaneous other banking matters

Changes on the resolution are limited to the vacancy in the position of Chief Financial Officer.

Approval of this resolution is needed to ensure legal authorization for the district officers and administrators to deal with depository contract matters and all other banking and investment matters on behalf of the district.

A copy of the resolution is on file in Board Services.

COST/FUNDING SOURCE(S):                      None

STAFFING IMPLICATIONS:                      None

ORGANIZATIONAL GOALS/IMPACT:      This agenda item supports Houston Independent School District (HISD) Goal 4:

Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 5: Culture of Trust through Action. Approval of the resolution designates officers and administrators to transact business on behalf of HISD.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approves the *Resolution Designating the Officers and Administrators Authorized to Act on Behalf of the Houston Independent School District in All Matters in Connection with the Depository Bank and All Other Banking and Investment Matters*, effective January 13, 2017.



# REPORT FROM THE SUPERINTENDENT

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

**SUBJECT: DEBT MANAGEMENT ACTIVITY REPORT**

Houston Independent School District enacted a formal *Debt Management Policy* with the intent to improve the quality of decisions and provide justification for the structure of debt issuance. The guidelines set forth in the *Debt Management Policy* were developed to provide for the issuance and management of the district's debt portfolio. Adherence to the policy indicates to rating agencies and capital markets that the district's debt is being managed in a prudent manner.

The district's *Debt Management Policy* requires that the Office of Finance provide a report to the Board of Education semi-annually detailing debt management activities and adherence to the policy. The attached report includes the fiscal year from July 1, 2016 through December 31, 2016.



# REPORT OF DEBT MANAGEMENT ACTIVITIES

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Houston Independent School District  
As of December 31, 2016

## FOREWORD

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- Pursuant to the Debt Management Policy adopted by the Board of Education of the Houston Independent School District, the Office of Finance shall periodically report to the Board debt management activities and adherence to the Policy.




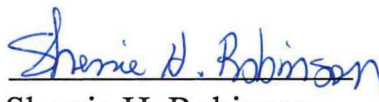
# COMPLIANCE CERTIFICATION

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We hereby certify that debt management activities were conducted in compliance with the Board-approved Debt Management Policy.

\_\_\_\_\_  
Vacant  
Chief Financial Officer

  
\_\_\_\_\_  
Rick Fairman  
Treasurer

  
\_\_\_\_\_  
Sherrie H. Robinson  
Controller

**DEBT MANAGEMENT POLICY  
COMPLIANCE REVIEW  
As of December 31, 2016**

<b>Houston ISD Compliance Summary</b>		
<b>Category</b>	<b>Compliant</b>	<b>Comments</b>
Debt Management Policy reviewed annually.	Yes	Approved by Board of Education on 6/9/2016.
Arbitrage reports prepared and reported in CAFR.	Yes	CAFR dated 6/30/2016. reflects arbitrage liabilities prepared by contracted specialist.
Authorized types of debt issued in current reporting period.	Yes	No issuance in the period reported.
Variable rate debt <= 25% of total debt.	Yes	As of 12/31/2016 variable rate debt equaled 18.58% of total debt.
Refunded debt met net present savings thresholds of 2% for current refundings and 4% for advance refundings.	Yes	No issuance in the period reported.
Legal debt limitation requirements met.	Yes	Attorney General letter on file with issuance documents.
District debt service tax rate limitation of \$1.00 per \$100 assessed valuation and total tax rate of \$1.70 not exceeded.	Yes	Current debt service tax rate is \$0.18 and total tax rate is \$1.2067.
The District obtained credit ratings from at least two nationally recognized bond rating agencies prior to bond issues.	Yes	Current ratings are Aaa by Moody's and AA+ by Standard & Poors.
Required bond issuance reports filed with nationally recognized municipal securities information repository by bond counsel.	Yes	Letter on file by bond counsel (Andrews Kurth) dated 12/27/2016 indicating compliance.
The District filed CAFR with nationally recognized municipal securities information repository (NRMSIR).	Yes	Filed by District in November 2016.
Investment of bond proceeds meets Debt Policy guidelines.	Yes	Proceeds invested in segregated accounts and reported within the district's Cash Management and Investment Policy.
The District met targeted debt service fund balance of 10% of total debt service at most recent fiscal year end.	Yes	The debt service fund balance at 6/30/2016 was 37.05% of budgeted 2017 debt service.



## SUMMARY OF DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2016 THROUGH DECEMBER 31, 2016

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□ **DEBT ISSUANCE**

**No debt issuance in current period.**



## SUMMARY OF DEBT ACTIVITY

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□ **DEBT PAYMENTS (7/01/16 through 12/31/2016)**

<b>Principal Payments</b>	<b>\$ 43,093,482</b>
<b>Interest Payments</b>	<b>\$ 65,709,159</b>
<b>Fiscal Charges</b>	<b><u>\$ 7,568</u></b>
<b>Total Expenditures</b>	<b>\$ 108,810,209</b>
<b>Other Financing Uses -</b>	
<b>Escrow Agents – Advance Refunding</b>	<b><u>\$ -</u></b>
<b>Total Disbursements (Uses)</b>	<b>\$ 108,810,209</b>
	<b>=====</b>

Note: This report is an unaudited management report and may not reflect final audited results.

# HOUSTON INDEPENDENT SCHOOL DISTRICT

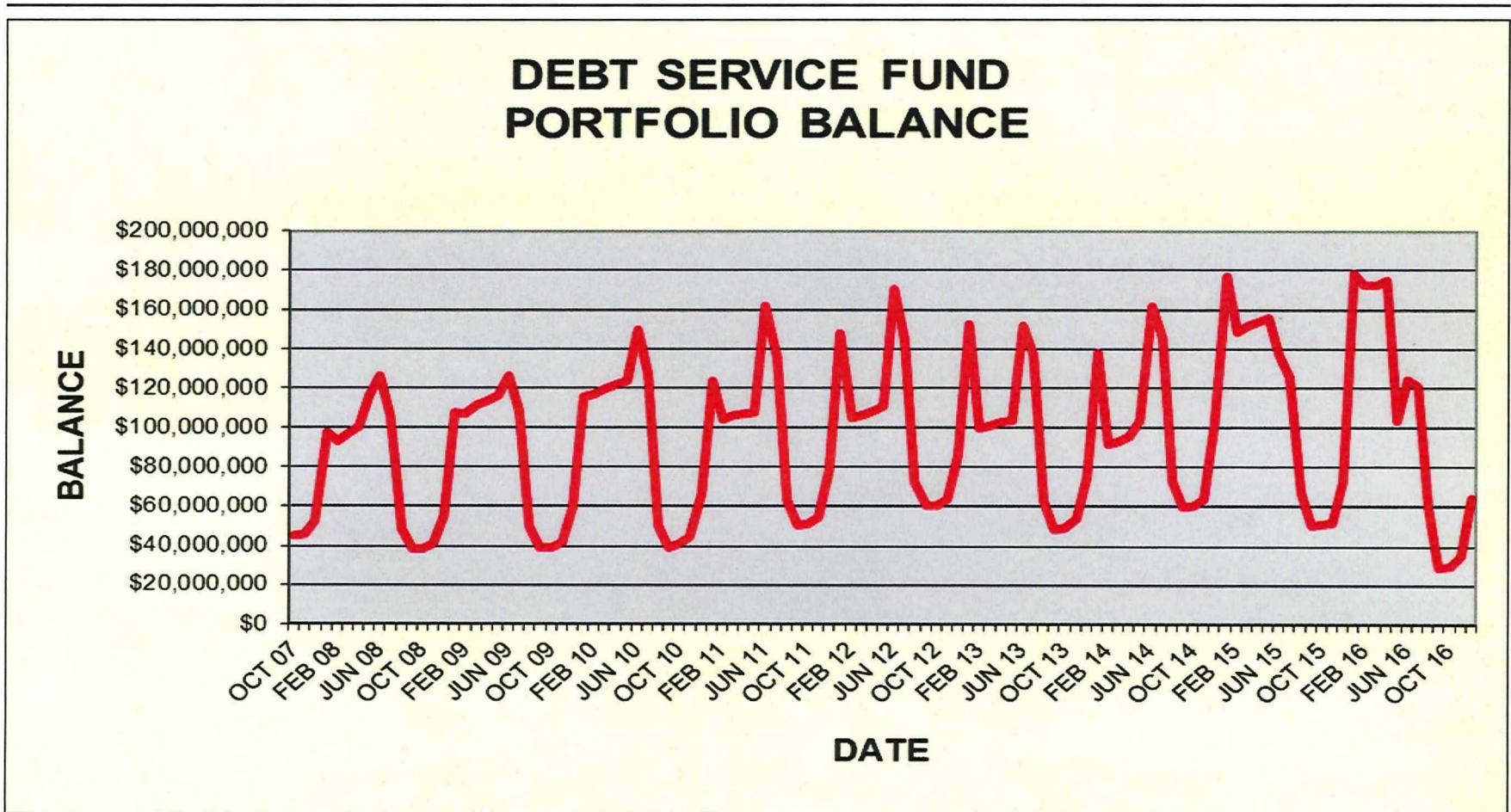
## DEBT SUMMARY AS OF DECEMBER 31, 2016

				7/16 - 12/16		7/16 - 12/16		7/16 - 12/16			
Date of Issue	Description	Original Issue Amount	Final Maturity Date	6/30/2016 Debt Principal	Activity Debt Acquisitions/ Sales/(Refundings)	Activity Debt Principal Pymts	Activity Debt Interest Pymts	Activity Debt Interest Pymts	12/31/2016 Debt Principal		
9/21/05	Refunding Series 2005B	\$ 173,140,000	2/15/2024	\$ 167,640,000	\$ -	\$ -	\$ 4,191,000	\$ -	\$ 167,640,000		
11/21/06	Refunding Series 2006A	28,100,000	8/15/2017	28,100,000	-	13,710,000	702,500	-	14,390,000		
3/22/07	Refunding Series 2007	279,865,000	2/15/2026	258,200,000	-	-	5,939,500	-	258,200,000		
3/01/08	Series 2008	389,825,000	2/15/2033	13,000,000	-	-	325,000	-	13,000,000		
11/01/09	Series 2009A-1	68,920,000	2/15/2018	29,500,000	-	-	590,000	-	29,500,000		
11/01/09	Series 2009A-2 (BABS)	148,850,000	2/15/2034	148,850,000	-	-	4,579,309	-	148,850,000		
11/01/09	Series 2009A-3 (BABS)	183,750,000	2/15/2028	183,750,000	-	-	5,181,424	-	183,750,000		
5/01/98	Lease Revenue Series 1998A (PFC)	46,246,108	9/15/2021	7,702,323	-	1,470,667	2,414,333	-	6,231,656		
5/01/98	*Lease Revenue Series 1998B (PFC)	47,999,985	9/15/2016	2,632,815	-	2,632,815	4,322,185	-	-		
4/01/06	Lease Revenue Series 2006 (PFC Food)	33,600,000	9/15/2030	25,335,000	-	1,205,000	570,719	-	24,130,000		
4/26/10	Lease Revenue Series 2010A (PFC EI)	16,070,000	9/15/2021	14,485,000	-	1,590,000	260,409	-	12,895,000		
4/26/10	Lease Revenue Series 2010B (PFC EI BABS)	38,430,000	9/15/2029	38,430,000	-	-	1,116,173	-	38,430,000		
5/15/12	Variable Rate Refunding Series 2012	182,080,000	6/1/2030	105,485,000	-	-	745,048	-	105,485,000		
2/14/13	Limited Tax Refunding Series 2013C	92,905,000	2/15/2032	88,330,000	-	-	1,906,025	-	88,330,000		
2/14/13	Limited Tax Sch and Ref Series 2013A	209,640,000	2/15/2038	176,980,000	-	-	3,991,600	-	176,980,000		
2/14/13	Variable Rate Ltd Tax Sch Series 2013B	147,130,000	6/1/2037	147,130,000	-	-	989,161	-	147,130,000		
12/16/14	Limited Tax Refunding Series 2014B	365,395,000	2/15/2033	354,425,000	-	-	8,005,725	-	354,425,000		
12/23/14	Lease Revenue Series 2014 (PFC)	81,650,000	9/15/2020	81,650,000	-	14,800,000	1,967,250	-	66,850,000		
6/01/15	Variable Rate Ltd Tax Sch Series 2014A-2	168,040,000	6/1/2039	168,040,000	-	-	3,360,800	-	168,040,000		
4/12/16	Limited Tax Sch and Ref Series 2016A	757,195,000	2/15/2041	757,195,000	-	-	12,037,532	-	757,195,000		
4/19/16	Limited Tax Refunding Series 2016B	19,975,000	2/15/2033	19,975,000	-	-	225,274	-	19,975,000		
6/01/16	Variable Rate Ltd Tax Sch Series 2014A-1A	37,295,000	6/1/2039	37,295,000	-	-	372,950	-	37,295,000		
6/01/16	Variable Rate Ltd Tax Sch Series 2014A-1B	100,000,000	6/1/2039	100,000,000	-	-	1,500,000	-	100,000,000		
Bonds Payable				\$ 2,954,130,138	\$ -	\$ 35,408,482	\$ 65,293,917	\$ -	\$ 2,918,721,656		
11/01/09	Contractual Obligations Series 2009	\$ 23,500,000	7/15/2017	\$ 2,810,000	\$ -	\$ 1,385,000	\$ 42,150	\$ -	\$ 1,425,000		
11/01/11	Contractual Obligations Series 2011	23,500,000	7/15/2019	5,500,000	-	1,300,000	82,500	-	4,200,000		
Contractual Obligations				\$ 8,310,000	\$ -	\$ 2,685,000	\$ 124,650	\$ -	\$ 5,625,000		
7/13/15	Maintenance Notes Refunding Series 2015	\$ 40,360,000	7/15/2020	\$ 40,360,000	\$ -	\$ 5,000,000	\$ 290,592	\$ -	\$ 35,360,000		
Notes Payable				\$ 40,360,000	\$ -	\$ 5,000,000	\$ 290,592	\$ -	\$ 35,360,000		
Total Debt Payable				\$ 3,002,800,138	\$ -	\$ 43,093,482	\$ 65,709,159	\$ -	\$ 2,959,706,656		

\* Debt either reached final maturity or was fully redeemed during the current fiscal year.



# INVESTMENT AND CASH BALANCES



# REPORT FROM THE SUPERINTENDENT

Office of the Superintendent of Schools  
Board of Education Meeting of January 12, 2017

**SUBJECT: COMBINED CHARITIES CAMPAIGN REPORT**

The 2017 Combined Charities Campaign (CCC) Committee recently reported that this year's annual workplace campaign raised \$244,231 in contributions. The combined effort of uniting 12 charitable federations that represent over 600 service agencies and a once-a-year workplace campaign is advantageous for all involved. This contribution is another example of the caring and generosity of the Houston Independent School District (HISD) toward those in need.

HISD provides its employees with a simple online pledge system allowing for contributions to be conveniently deducted from their payroll through a one-time or a 26-pay-period donation. The list of top contributors for the 2017 campaign is attached.

**HOUSTON INDEPENDENT SCHOOL DISTRICT**  
**2017 COMBINED CHARITIES CAMPAIGN**  
**TOP CONTRIBUTOR LIST**

<b>Category*</b>	<b>Top Contributor School/Site</b>	<b>Pledge Amount</b>	<b>Principal/ Supervisor</b>	<b>SSO/LP</b>	<b>Coordinator(s)</b>
IV	Bellaire High School	\$7,098	Michael McDonough	Rudy Trevino	Martha Craft Cilya Frank
III	Madison High School	\$9,258	Orlando Reyna	Laura Hunter	Stephen Roquemore
I	Anderson Elementary	\$5,975	Rosalyn Vaughn	Nicole Moore	Adrienne Glover
II	Rice School La Escuela	\$8,665	Kimberly Hobbs	Diana Gibson- Johnson	Tony Hill-Kennedy

**Non-School Site**

IV	Special Education Speech & Language	\$1,530	Sowmya Kumar	Cheval Bryant	Renise Turner
II	Special Education North	\$520	Sowmya Kumar	Mary Kay Kinnett	Renise Turner
I	IT PMO – Quality Assurance	\$4,420	Lenny Schad	Cindy Rae Fancher	Ivonne Curiel
III	Community Services	\$3,546	Stephen MacLauchlan	Mario Marquez	Brenda Griffin

**\*Category Description**

**Number of Employees Per Work Location**

<b>Category</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>School Site</b>	<b>1-68</b>	<b>69-137</b>	<b>138-205</b>	<b>206+</b>
<b>Non-School Site</b>	<b>1-20</b>	<b>21-39</b>	<b>40-75</b>	<b>76+</b>