

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: _____

Meeting Date: 8/07/2025

Submitted By: Auditor's Office

Department: _____

Signature of Elected Official/Department Head:

<p>Court Decision: This section to be completed by County Judge's Office</p>
 <p>8-7-2025</p>

Description:

Discuss and Take Action to Adopt an Order Authorizing Defeasance and
Redemption of Approximately \$120,000.00 of Johnson County, Texas General
Obligation Refunding Bonds, Taxable Series 2021; Levying Ad Valorem Taxes
in Payment Thereof; and Enacting all Matters Incident or Related
There-to-Auditor's Office

Motion: Approve Order 2025-73

Approve Escrow Agreement with Authorization for County Auditor to Sign

(May attach additional sheets if necessary)

Person to Present: Steve Watson

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) PUBLIC CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: _____ minutes

Session Requested: (check one)

Action Item Consent Workshop Executive Other _____

Check All Departments That Have Been Notified:

County Attorney IT Purchasing Auditor

Personnel Public Works Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**

ESCROW AGREEMENT

FY2026 Cash Defeasance of
Johnson County, Texas
General Obligation Refunding Bonds, Taxable Series 2021

THIS ESCROW AGREEMENT, dated as of [February 15, 2026] (herein, together with any amendments or supplements hereto, called the “Agreement”) is entered into by and between Johnson County, Texas (herein called the “Issuer”), and Zions Bancorporation, National Association, Houston, Texas as escrow agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The addresses of the Issuer and the Escrow Agent are shown on Exhibit “A” attached hereto and made a part hereof.

W I T N E S S E T H:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the “Refunded Obligations”) described in the Verification Report of Public Finance Partners LLC (the “Report”) relating to the Refunded Obligations, attached hereto as Exhibit “B” and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code (“Chapter 1207”), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any paying agent for the Refunded Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations, or a trust company or commercial bank that does not act as a depository for the Issuer, with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent, trust company or commercial bank may agree, provided that such deposits may be invested only in obligations described in Section 1207.062 of Chapter 1207, which obligations may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, the Escrow Agent is the paying agent for the Refunded Obligations (in such capacity, the “Paying Agent”), and this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the places of payment (the “Paying Agents”) for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the Issuer desires that funds to be provided by the Issuer to the Escrow Agent shall be deposited to the credit of the Escrow Fund created pursuant to the terms of this Agreement and applied to purchase certain obligations described in Section 1207.062 of Chapter 1207, hereinafter defined as the “Escrowed Securities” for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is herein also referred to as the “Paying Agent,” and any Paying Agent for the Refunded Obligations, acting through the Escrow Agent, is also a party to this Agreement, as a Paying Agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Recitals. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 1.02. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

“Code” means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

“Escrow Fund” means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

“Escrowed Securities” means, subject to any restrictions set forth in any order, ordinance or resolution of the Issuer authorizing the issuance of the Refunded Obligations, the obligations permitted by Section 1207.062 of Chapter 1207 as described in the Report or cash or other obligations permitted by Section 1207.062 of Chapter 1207 substituted therefor pursuant to Article IV of this Agreement.

Section 1.03. Other Definitions. The terms “Agreement”, “Issuer”, “Escrow Agent”, “Refunded Obligations”, “Report”, “Paying Agent”, and “Paying Agents”, when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.04. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits in the Escrow Fund. By no later than the date hereof, the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Johnson County FY2026 Cash Defeasance Escrow Fund (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund and make available to the Paying Agent for the Refunded Obligations, the amounts required to pay the principal of the Refunded Obligations at their respective maturity and redemption dates and interest thereon to such maturity and redemption dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agents at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature or are subject to redemption, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each Paying Agent for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, any Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The uninvested cash, Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the uninvested cash, Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as an Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agents.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. General Limitations. Except as provided in Sections 3.01, 3.02 and 4.02 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of Escrowed Securities, or to sell, transfer or otherwise dispose of Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Obligations - State and Local Government Series with an interest rate equal to zero percent (0%) to the extent such Obligations are available from the Department of the Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities that are United States Treasury Certificates of

Indebtedness, Notes or Bonds - State and Local Government Series. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

Section 4.03. Substitutions and Reinvestments. At the written direction of the Issuer, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other moneys or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable obligations described in Section 1207.062 of Chapter 1207, subject to any restrictions set forth in any order, ordinance or resolution authorizing the issuance of the Refunded Obligations), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be “arbitrage bonds” within the meaning of Section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or non-interest bearing direct noncallable and not pre-payable obligations described in Section 1207.062 of Chapter 1207, subject to any restrictions set forth in any order, ordinance or resolution authorizing the issuance of the Refunded Obligations, (i.e., obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the “Substitute Obligations”) for non-interest bearing Escrowed Securities, if any, but only if such Substitute Obligations

(a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,

(b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and

(c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an “arbitrage bond” within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

Section 5.01. In General. Except as provided in Sections 3.01, 3.02, 4.02, 4.03 and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

ARTICLE VI

RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the cash balances and proceeds of Escrowed Securities from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agents shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing this Escrow Agreement shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

Except as set forth in Section 7.05 herein, the Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

The Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action or omission constituting negligence or willful misconduct, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may

deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

The Escrow Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, written investment direction, statement, instrument, opinion, notice or other paper or document believed by it to be genuine and to have been signed or presented by the proper party. The Escrow Agent may consult legal counsel in the event of any dispute or question as to the construction of any provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in accordance with the opinion or instructions of such counsel.

TO THE EXTENT PERMITTED BY LAW, THE ISSUER AGREES TO INDEMNIFY, DEFEND AND HOLD THE ESCROW AGENT HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DAMAGE, TAX, LIABILITY AND EXPENSE THAT MAY BE INCURRED BY THE ESCROW AGENT ARISING OUT OF OR IN CONNECTION WITH ITS ACCEPTANCE OR APPOINTMENT AS ESCROW AGENT HEREUNDER, INCLUDING ATTORNEYS FEES AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH ITS PERFORMANCE HEREUNDER, EXCEPT THAT THE ESCROW AGENT SHALL NOT BE INDEMNIFIED FOR ANY LOSS, DAMAGE, TAX, LIABILITY, OR EXPENSE RESULTING FROM ITS OWN NEGLIGENCE OR WILLFUL ACTION. THE FOREGOING INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT OR THE RESIGNATION OR REMOVAL OF THE ESCROW AGENT.

Section 7.03. Compensation.

(a) Concurrently with the deposit required pursuant to Section 2.01 hereof, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount set forth in Exhibit C, attached hereto, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, as Paying Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The Paying Agent is the place of payment (paying agent) for the Refunded Obligations. The Issuer covenants to timely pay for all future paying agency services of the Paying Agent for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by the Paying Agent. Additionally, the Paying Agent agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses, and for the benefit of the registered owners of the Refunded Obligations, to perform the services as Paying Agent without regard to the future payment of such fees and expenses.

(c) Upon receipt of the aforesaid specific sums stated in subsections (a) and (b) of this Section 7.03 for Escrow Agent and paying agency fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

Section 7.04. Successor Escrow Agents.

(a) If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

(b) Any successor Escrow Agent shall be: (i) a corporation, bank or banking association organized and doing business under the laws of the United States or the State of Texas; (ii) be authorized under such laws to exercise corporate trust powers; (iii) be authorized under Texas law to act as an escrow agent; (iv) have its principal office and place of business in the State of Texas; (v) have a combined capital and surplus of at least \$5,000,000; and (vi) be subject to the supervision or examination by Federal or State authority.

(c) Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

(d) The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. If within 60 days following the resignation of the Escrow Agent, no successor Escrow Agent shall have been appointed, the Escrow Agent may, at the expense of the Issuer, apply to any court of competent jurisdiction to appoint a successor Escrow Agent.

Section 7.05. Representations as Paying Agent for Refunded Obligations. In its capacity as Paying Agent for the Refunded Obligations, the Escrow Agent hereby represents and acknowledges that the total amount due on the redemption date for the Refunded Obligations is the amount set forth in the Report. The Escrow Agent hereby acknowledges that its fees and expenses due the Escrow Agent in its

capacity as Paying Agent for the Refunded Obligations to and through their redemption and final payment have been provided for.

Section 7.06. Notice of Redemption. The Escrow Agent is hereby authorized and directed to cause the Notice of Defeasance attached as Exhibit A to the order adopted by the governing body of the Issuer authorizing this Agreement, to be given at the time and in the form and manner prescribed in the proceedings that authorized the issuance of the Refunded Obligations.

Section 7.07. Acknowledgment of Notice of Redemption. The Escrow Agent, by its execution hereof, as Paying Agent for the Refunded Obligations, acknowledges receipt of written notice of the defeasance of the Refunded Obligations, as required by the proceedings that authorized the issuance of the Refunded Obligations, and agrees to provide or cause to be provided notice of defeasance of such Refunded Obligations as required by the proceedings that authorized the issuance of such Refunded Obligations.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007, Standard & Poor's Corporation, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004 and Fitch, Inc., One State Street Plaza, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all counterparts shall together constitute one and the same instrument.

Section 8.10. Texas Government Code Verifications. The Escrow Agent makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate means an entity that controls, is controlled by, or is under common control with the Escrow Agent within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything herein to the contrary.

(a) Not a Sanctioned Company. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Escrow Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not

boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Section 8.11. Certificate of Interested Parties. The Escrow Agent represents that Zions Bancorporation, N.A. is a publicly traded (NASDAQ: ZION) business entity and is included in the NASDAQ Financial 100 index and is not required to deliver to the Issuer a Certificate of Interested Parties Form 1295.

EXECUTED as of the date first written above.

JOHNSON COUNTY, TEXAS



County Auditor

Signature Page for Escrow Agreement relating to
FY2026 Cash Defeasance of
Johnson County, Texas General Obligation Refunding Bonds, Taxable Series 2021

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,

By: _____

Title: _____

AMEGY BANK DIVISION

Signature Page for Escrow Agreement relating to
FY2026 Cash Defeasance of
Johnson County, Texas General Obligation Refunding Bonds, Taxable Series 2021

INDEX TO EXHIBITS

- Exhibit "A" Addresses of the Issuer and the Escrow Agent
- Exhibit "B" Verification Report of Public Finance Partners LLC
- Exhibit "C" Escrow Agent Fees

EXHIBIT "A"

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

ISSUER

Johnson County, Texas
2 North Main Street
Cleburne, Texas 76031

Attention: County Auditor

ESCROW AGENT

Zions Bancorporation, National Association, Amegy Bank Division
1801 Main Street, Suite 460
Houston, Texas 77002

Attention: Corporate Trust

EXHIBIT "B"

VERIFICATION REPORT OF PUBLIC FINANCE PARTNERS LLC

(See attached)

EXHIBIT "C"

ESCROW AGENT FEES

(See attached)



JOHNSON COUNTY COMMISSIONERS COURT

Christopher Boedeker
County Judge

Rick Bailey
Commissioner
Precinct 1

Kenny Howell
Commissioner
Precinct 2

Mike White
Commissioner
Precinct 3

Larry Woolley
Commissioner
Precinct 4

THE STATE OF TEXAS

§
§
§

ORDER 2025-73

COUNTY OF JOHNSON

ORDER AUTHORIZING THE DEFEASANCE OF APPROXIMATELY \$120,000 OF JOHNSON COUNTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2021; LEVYING AD VALOREM TAXES IN PAYMENT THEREOF; AND ENACTING ALL MATTERS INCIDENT OR RELATED THERETO.

WHEREAS, Johnson County, Texas, a political subdivision of the State of Texas (the "County") has outstanding the following obligations:

Johnson County, Texas, General Obligation Refunding Bonds, Taxable Series 2021, dated as of November 15, 2021, scheduled to mature on February 15 in each of the years 2026 through 2035, inclusive, currently outstanding in the aggregate principal amount of \$14,885,000 (the "*Bonds*"); and

WHEREAS, in the order adopted by the Commissioners Court authorizing the issuance of the Bonds (the "*Bond Order*"), the County reserved the right to defease the Bonds by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "*Escrow Agreement*") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the County with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable, all as further provided in the Bond Order and as authorized pursuant to Chapter 1207, Texas Government Code, as amended and in effect on the date hereof ("*Chapter 1207*"); and

WHEREAS, the Commissioners Court hereby finds and determines that the defeasance authorized herein is in the County's best interest and that effecting said defeasance will reduce the amounts of debt service payable on the outstanding Bonds; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. ch. 551. Now, Therefore

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF JOHNSON COUNTY, TEXAS:

Section 1. That the Commissioners Court of the County hereby incorporates the recitals set forth in the WHEREAS clauses contained in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct.

Section 2. That the Commissioners Court hereby authorizes the imposition of ad valorem taxes, which are hereby levied and ordered to be levied and collected for the public purpose of reducing the future payment obligations of the County with respect to the Bonds, which amount shall be deposited, as collected, to the credit of the Interest and Sinking Fund established pursuant to Section 5(a) of the Bond Order, in an amount not to exceed \$126,800, for the purpose of economically defeasing a portion of the term Bonds currently scheduled to mature on February 1, 2027, currently outstanding in the aggregate principal amount of \$1,390,000.

Section 3. That the County Auditor is hereby directed to select from the Bonds described in Section 1 of this Order such portion to be defeased (the “*Defeased Bonds*”) under authority of this Order with the amount of ad valorem tax revenues available to effect such defeasance. In no event shall the aggregate principal amount of the Defeased Bonds exceed \$120,000 in principal amount.

Section 4. That on or before February 15, 2026 (the “Defeasance Date”), the County shall deposit with or make available to Zions Bancorporation, National Association, as Paying Agent/Registrar for the Defeased Bonds and as Escrow Agent therefor, funds in amounts sufficient to pay the principal amount of Defeased Bonds and the interest scheduled to accrue on the Defeased Bonds called for redemption through their maturity date. In addition, the Paying Agent/Registrar and Escrow Agent are hereby authorized and directed to cause the appropriate notice of defeasance for the Defeased Bonds to be given as specified by the Bond Order, which notice may be in the form attached hereto as Exhibit A, and all appropriate arrangements shall be made as specified by the Bond Order and in accordance with Chapter 1207 so that the Defeased Bonds may be Defeased on their Defeasance Date. Prior to the Defeasance Date specified herein, the County Auditor may designate a different date on which the Defeased Bonds are to be legally defeased and extinguished, provided that the Defeasance Date must occur no later than September 30, 2026. The Defeased Bonds shall be presented for payment at the Paying Agent/Registrar on their scheduled date of maturity, and shall not bear interest after such maturity date.

Section 5. That the County Judge, County Auditor, or any Assistant County Auditor of the County are hereby authorized and directed to execute and deliver an Escrow Agreement with Zions Bancorporation, National Association, as Escrow Agent for the Defeased Bonds in substantially the form approved by said officer or official, and to authorize and execute such contributions and investments as may be necessary for the Escrow Fund to be established pursuant thereto.

Section 6. That the officers and employees of the County are hereby authorized and directed to take such actions and to execute and deliver such documents, certificates and receipts, including without limitation notices of defeasance and other filings with respect to the Defeased Bonds to be defeased, as necessary or appropriate to consummate the transactions authorized by this Order and to defeased said Defeased Bonds in accordance with the provisions and requirements of the Bond Order and Chapter 1207.

Section 7. That this Order shall become effective immediately upon its adoption, in accordance with the provisions of Section 1201.028, Texas Government Code.

WITNESS OUR HAND THIS, THE 7TH DAY OF AUGUST 2025.

Christopher Boedeker

Christopher Boedeker, Johnson County Judge

Voted: yes, ___ no, ___ abstained

Rick Bailey

Rick Bailey, Comm. Pct. 1

Voted: yes, ___ no, ___ abstained

Kenny Howell

Kenny Howell, Comm. Pct. 2

Voted: yes, ___ no, ___ abstained

Mike White

Mike White, Comm. Pct. 3

Voted: ___ yes, ___ no, ___ abstained

Larry Woolley

Larry Woolley, Comm. Pct. 4

Voted: yes, ___ no, ___ abstained

April Long

ATTEST: **April Long, County Clerk**



Exhibit A

NOTICE OF DEFEASANCE OF

**JOHNSON COUNTY, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2021
CUSIP NO. 478898FM6**

NOTICE is hereby given that the following portion of general obligation bonds issued by Johnson County, Texas have been legally defeased and extinguished prior to their Maturity Date, at a price of par and accrued interest to the Maturity Date, without premium, to-wit:

Johnson County, Texas, General Obligation Refunding Bonds, Taxable Series 2021, dated as of November 15, 2021, scheduled to mature on February 15 in each of the years 2026 through 2035, inclusive, currently outstanding in the aggregate principal amount of \$14,885,000 (the "Bonds"), being a portion of the Bonds (the "Defeased Bonds") described as follows:

<u>CUSIP</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Defeased</u>
478898FM6	2.00%	2/15/2027	\$1,390,000	\$115,000

aggregating \$115,000 in principal amount. On [February 15, 2026], the Defeased Bonds were defeased in accordance with the terms of the order authorizing their issuance, and such portion of the outstanding Bonds described above shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes levied and pledged as provided in said order, and such principal and interest shall be payable solely from amounts held in an escrow account administered by Zions Bancorporation, National Association, which is the Escrow Agent for the Defeased Bonds, until the Maturity Date specified above, when the principal amount shall be paid upon presentation of the Defeased Bonds to the paying agent/registrars thereof, as follows:

Zions Bancorporation, National Association
Corporate Trust Department
1801 Main Street, Suite 460
Houston, Texas 77002

Upon presentation of the Defeased Bonds at the paying agent/registrars on the aforementioned Maturity Date, the holder thereof shall be entitled to receive a price equal to par plus accrued interest to said Maturity Date and thereafter said portion of the Bonds shall no longer bear interest.

CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Bonds. Neither the County nor paying agent/registrars shall be responsible for the selection or correctness of the CUSIP numbers on the Bonds or as indicated in any redemption notice.

IMPORTANT NOTICE: Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), paying agents making payments of interest or principal on municipal securities may be obligated to withhold a 28% tax from remittance to individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Owners of the Bonds who wish to avoid the imposition of the tax should submit certified taxpayer identification numbers when presenting the Bonds for payment.

THIS NOTICE is given under authority of an order adopted by the Commissioners Court of the County on August 5, 2025.