HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 105

Order Calling Road Bond Election

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 105 (the "District") met at its regular meeting place on January 20, 2025, in accordance with the duly posted notice of the meeting, with a quorum of directors present, as follows:

Charles LaConti, President
Ginger Furlong, Vice President
Kathy Cones, Secretary
Carol N. Diller, Director

and the following absent:

None

when the following business was transacted:

The order set out below was introduced for consideration of the board. It was duly moved and seconded that said order be adopted; and, after due discussion, said motion was carried by the following vote:

Ayes: All directors shown present.
Noes: None.

The order thus adopted is as follows:

Whereas, Harris County Municipal Utility District No. 105 has been legally created; the directors of the District have qualified as required by law, met and organized; and

Whereas, the District has acquired road powers pursuant by order of the Texas Commission on Environmental Quality pursuant to Section 54.234, Texas Water Code; and

Whereas, the District is authorized to issue and sell bonds for road facilities pursuant to Section 54.234, Texas Water Code; and

Whereas, the District's board of directors finds and determines that it is in the best interest of the District to obtain authorization for the provision of roads pursuant to the provisions of Section 54.234, Texas Water Code, as amended and to obtain authority for the issuance of bonds payable from ad valorem taxes; and.

Whereas, a bond election is a special election as defined by Texas Election Code Section 1.005(18); and

Whereas, it is required by statute that a special election be held on a uniform election date; and

Whereas, the Board has determined that it is duly authorized to call, hold and conduct said election pursuant to the Texas Constitution and the laws of the State of Texas, including without limitation, Chapter 1207, Texas Government Code; and

Whereas, the District's engineer and the District's board of directors make the following estimate of probable costs:

Road Construction and Improvements:

Construction costs:

Roads and improvements in aid thereof, construction contingencies, design, purchase, acquisition, investigation, plans and engineering	$54,237,000

Incidentals:	
Administrative expenses of issuing and selling bonds, including financial advisory and legal fees, interest on bonds during estimated construction period, discount on bonds, and operating costs during construction	$22,118,636
Road Construction and Improvements Total:	**$75,600,000**

Whereas, the Board made no change or modification in the work proposed by or the plans and report of the engineer; all requirements have been met prerequisite to the ordering of a bond election; and the board is of the opinion that the election should be held for the purpose of submitting the proposition set out hereinafter; and

Whereas, the Board of the District intends to contract with Harris County to conduct the May Election.

Therefore, be it ordered by the Board of the District, as follows:

Section 1. The matters and facts set out in the preamble of this order are hereby found and declared to be true, correct and complete.

Section 2. The Board adopts in all respects said engineer's report, including the estimates therein and the data and items submitted and filed therewith, and reference is here made to same for the full contents thereof. The District has complied with the applicable provisions of Texas Water Code Section 49.106.

Section 3. The bond election shall be held within the legal hours on May 3, 2025. The District shall enter into an agreement ("Agreement") with Harris County, Texas (the "County") for the purpose of having the County provide certain joint election services and equipment needed by the District in connection with the District's May 3, 2025 election. The County shall be responsible for furnishing services and equipment and performing duties as described in the Agreement. For purposes of said election the District hereby adopts the Harris County voting precincts. The District hereby adopts as its early voting and election day polling places and hours of election those polling places and hours designated by Harris County, as set out in the Agreement. Voting shall be held at the applicable Harris County early voting and election day polling places, whether such early voting or election day polling locations are within or outside of the District's boundaries.

Section 4. At the election, the following proposition shall be submitted to the duly qualified resident electors of the District for their action thereon:

PROPOSITION B

Shall the board of directors of Harris County Municipal Utility District No. 105 be authorized to issue bonds of said District in one or more issues or series in the maximum aggregate original principal amount of Seventy-Five Million Six Hundred Thousand Dollars ($75,600,000), which is the estimate of the probable cost of design, acquisition, construction, financing, and conveyance of roads and improvements in aid thereof to serve the District, which bonds shall mature serially or otherwise over a period not to exceed forty (40) years from their date or dates, and to be issued and sold and at any price or prices and to bear interest at any rate or rates as shall be determined within the discretion of the board of directors of the District and as authorized by the laws of the State of Texas at the time of such issuance, for the benefit of the District and any land which may be hereafter annexed into the District, for the purposes of designing, purchasing, acquiring, constructing, financing, and conveying roads, and for the further purpose of refunding, by any means now or hereafter authorized by law, all or any portion of any bonds or refunding bonds of the District payable in whole or in part from taxes authorized whether heretofore or hereafter issued by the District, and whether authorized hereunder or at previous or subsequent elections held within and for the District, and to provide for the payment of principal of and interest on such bonds by the levy and collection of a sufficient ad valorem tax upon all taxable property within the District, all as authorized by the Constitution and laws of the State of Texas?

Section 5. The election will be conducted in compliance with the provisions of the federal laws, Help America Vote Act (HAVA) and the Texas Election Code, and all other applicable laws, and each polling place will have at least one voting system accessible to individuals with disabilities.

Section 6. As provided by law for the issuance of bonds payable wholly or in part by ad valorem taxes, an election shall be held and notice shall be given as provided by law.

Section 7. Paper and/or electronic ballots shall be used in the election. Ballots, voting instructions and the proposition shall be made available in English, and in the Spanish, Vietnamese and Chinese (Mandarin) languages for those requesting same. The ballots for said election shall conform to the requirements of the Texas Water Code and the Texas Election Code, as amended, so far as applicable, and shall have printed thereon, in the English, Spanish, Vietnamese and Chinese (Mandarin) languages, the following:

OFFICIAL BALLOT

Instruction Note: Place an "X" in the square beside the statement indicating the way you wish to vote

PROPOSITION B

□ FOR –

□ AGAINST -

THE ISSUANCE OF BONDS IN THE MAXIMUM AMOUNT OF SEVENTY-FIVE MILLION SIX HUNDRED THOUSAND DOLLARS ($75,600,000) FOR ROADS AND THE LEVY OF UNLIMITED AD VALOREM TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

Section 8. Only duly qualified residents of the District shall be entitled to vote at the election.

Section 9. The District's attorneys shall be and they are hereby authorized and directed to assist the secretary of the Board in preparing the official ballot, translation of the ballot in the Spanish, Vietnamese and Chinese (Mandarin) languages, and providing to the County such other information and documents as may be required in the Agreement pertaining to the conduct of the election and post-election day procedures.

Section 10. Early voting and ballots shall conform to the requirements of the said Texas Water Code and Election Code, as amended, so far as applicable. Early voting shall be conducted at locations designated by Harris County, which, for purposes of this election, are each declared to be a public place for the District. Early voting by personal appearance shall be conducted each day at the early voting polling places during the hours of early voting designated by Harris County. The location of the main early voting polling place is: County Attorney Conference Center, County Conference Center III/Meeting Room 109, 1019 Congress Street, Houston 77002. Applications for ballots by mail shall be sent to the Early Voting Clerk by regular mail to: Early Voting Clerk, Attn: Elections Division, P. O. Box 1148, Houston, Texas 77251-1148; by common or contract carrier to: Early Voting Clerk, 15600 Morales Road, Houston, Texas 77032; by FAX to (713) 755-4983 or (713) 437-8683; or by email to vbm@HarrisVotes.com. For further information, contact the Early Voting Clerk by telephone at (713) 755-6965 or visit the internet website https://www.harrisvotes.com. Applications for ballots by mail must be received no later than the close of business at 5:00 p.m. on April 22, 2025. To be effective, an application for ballot by mail submitted by FAX or EMAIL **must also be submitted by mail** and be received by the Early Voting Clerk not later than the fourth business day after the transmission by fax or email is received.

Section 11. In accordance with the provisions of Section 3.009(b) of the Texas Election Code, it is hereby found and determined that:

(a) The proposition language that will appear on the ballot is set forth in Section 7 hereof.

(b) The purposes for which the bonds are to be authorized are set forth in Section 4 hereof.

(c) The principal amounts of the bonds to be authorized are set forth in Sections 4 and 7 hereof.

(d) As set forth in Sections 4 and 7 hereof, if the bonds are approved by the voters, the Board of Directors will be authorized to levy annual ad valorem taxes on all taxable property in the District, within the limits prescribed by law, sufficient to pay the annual principal of and interest on the bonds.

(e) Based on the bond market conditions at the date of adoption of this Order, the bonds are to be sold at any price or prices and to bear interest at a rate currently estimated to be 4.80%. This estimate is for informational purposes only and should in no way be perceived as forming an agreement or binding contract between the District and the voters and/or any other entity, group, individual and/or party. Furthermore, the good faith interest rate estimate provided herein in no way limits the District's authority to issue bonds authorized pursuant to the authority granted by the voters at the election held pursuant to this Order.

(f) As set forth in Section 4 hereof, if the bonds are approved, they may be issued in one or more series, to mature serially or otherwise, over a period not to exceed 40 years.

(g) As of the date of this Order, the aggregate principal amount of the outstanding principal of the District's debt obligations which are secured by ad valorem taxes is $83,325,000.

(h) As of the date of this Order, the aggregate amount of the outstanding interest of the District's debt obligations which are secured by ad valorem taxes was $29,209,881.

(i) The District's ad valorem debt service tax rate for 2024 as of the date of this Order is $0.40 per $100 of taxable assessed valuation. The 2025 debt service tax rate has not been established as of the date of this Order.

<u>Section 12.</u> In accordance with the provisions of Section 1251.052 of the Texas Government Code, the voter information document for Proposition A and set forth in Sections 4 and 7 hereof are set out in the Exhibit "A" attached hereto.

The President or Vice President is authorized to execute and the Secretary or Secretary Pro Tempore to attest this order on behalf of the board; and any of said officers is authorized to do all things necessary and legal in connection with the holding and consummation of said bond election.

Passed, ordered and adopted, this January 20, 2025.

Ginger Furlong

Vice President

ATTEST:

Kathy Cones

Secretary

EXHIBIT "A"
VOTER INFORMATION DOCUMENT
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 105
MAY 3, 2025 DATE OF ELECTION BOND ELECTION
PROPOSITION A

(1) Language on the May 3, 2025 Bond Election ballot:

OFFICIAL BALLOT

Instruction Note: Place an "X" in the square beside the statement indicating the way you wish to vote

PROPOSITION B

□ FOR -

THE ISSUANCE OF BONDS IN THE MAXIMUM AMOUNT OF SEVENTY-FIVE MILLION SIX HUNDRED THOUSAND DOLLARS ($75,600,000) FOR ROADS AND THE LEVY OF UNLIMITED AD VALOREM TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

□ AGAINST –

(2)

Principal of bonds to be authorized	Estimated interest for bonds to be authorized	Estimated combined principal and interest required to pay in full the bonds to be authorized:	Outstanding District bond principal as of January 20, 2025	Outstanding District bond interest as of January 20, 2025	Combined principal and interest of outstanding District bonds as of January 20, 2025
$75,600,000	$68,590,236	$144,190,236	$83,325,000	$29,209,881	$112,534,881

(3) Estimated maximum annual debt service tax increase on residence homestead with $100,000 appraised value in the District for repayment of bonds proposed to be authorized at this election: $390.00.

The information in Paragraph (3) above is based upon the following assumptions made by the Board of Directors: 1) amortization of the District's outstanding bonds and proposed bonds over a period of 30 years; 2) assumed no-growth in assessed valuation of the District; and 3) assumed interest rate on the proposed bonds of 4.80%.

(4) Additional information explaining information in (1) – (3) above: Although the proposal seeks up to $75,600,000 in bond authorization, if approved, they would be issued gradually in smaller increments over several years, thereby mitigating the tax impact.