

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 503

September 30, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 503 (the "District") met in regular session, open to the public, on the 30th day of September, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Jennifer Taylor	President
Kevin Gilligan	Vice President
Kelli Odum	Secretary
Ryan Schilhab	Assistant Secretary
Danielle Gonzalez	Asst. Vice President/Asst. Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Michael Crahan of Caldwell Companies; Lynn Kurtz of Myrtle Cruz, Inc.; Leslie Cook of RBC Capital Markets; Wendy Duncan of Inframark Water & Infrastructure Services ("Inframark"); Brenda McLaughlin of Bob Leared Interests; J.T. Gaden of EHRA Engineering; and Allison Leatherwood and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board reviewed the minutes of the August 22, 2024, regular meeting. After review and discussion, Director Taylor moved to approve the minutes of the August 22, 2024, regular meeting, as submitted. Director Odum seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX BONDS

Ms. Cook reviewed a Pricing Book for the sale of the District's \$10,615,000 Unlimited Tax Bonds, Series 2024 ("Series 2024 Bonds"), a copy of which is attached.

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2024 BONDS

The Board considered review of the bids and award of the sale of the Series 2024 Bonds. Ms. Cook read the bids that had been received:

- (1) SAMCO Capital Markets ("SAMCO"), with a net effective interest rate of 4.206918%;
- (2) Robert W. Baird & Co., Inc., with a net effective interest rate of 4.216541%;
and
- (3) HilltopSecurities, with a net effective interest rate of 4.267981%.

The Board next considered award of the sale of the Series 2024 Bonds. Ms. Cook stated that the low bid submitted by SAMCO, with a net effective interest rate of 4.206918%, had been reviewed and all numbers checked and confirmed. She recommended that the District accept the bid of SAMCO, as submitted. After review and discussion, Director Gilligan moved to award the sale of the Series 2024 Bonds to SAMCO, with a net effective interest rate of 4.206918%, as recommended. Director Taylor seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2024 BONDS

The Board considered adopting a Resolution Authorizing the Issuance of the District's Series 2024 Bonds (the "Resolution"). Ms. Leatherwood reviewed the proposed Resolution with the Board and explained that the document sets forth the terms and provisions of issuance and delivery of the Series 2024 Bonds, the payment of principal and interest over the life of the Series 2024 Bonds, and certain District covenants regarding the Series 2024 Bonds. After review and discussion, Director Gilligan moved to adopt the Resolution and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

PAYING AGENT/REGISTRAR AGREEMENT

The Board next considered execution of the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Ms. Leatherwood stated that the Paying Agent/Registrar Agreement sets forth the provisions by which the paying agent/registrar will handle registration, transfer, and payment of the District's Series 2024 Bonds. After discussion, Director Gilligan moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

OFFICIAL STATEMENT

The Board next considered approving the Official Statement. Ms. Leatherwood explained that the Preliminary Official Statement would be revised to reflect the terms of this sale, including the purchaser, interest rates and debt service requirements. After discussion, Director Gilligan moved to approve the Official Statement and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Leatherwood reviewed with the Board a Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Gilligan moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

EXECUTION OF DOCUMENTS RELATED TO DISTRICT'S SERIES 2024 BONDS

Ms. Leatherwood explained that there will be various documents related to delivery of the Series 2024 Bonds requiring execution by the directors prior to closing. She requested that the Board authorize the President or Vice President and Secretary or Assistant Secretary to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024 Bonds to the purchaser. After discussion, Director Gilligan moved to authorize execution of documents related to the sale and delivery of the Series 2024 Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2024 Bonds. Director Taylor seconded the motion, which passed unanimously.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving payment to the Attorney General relating to the Series 2024 bond issue transcript review. After discussion, Director Gilligan moved to approve payment to the Attorney General relating to the bond issue transcript review. Director Taylor seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

The Board considered authorizing execution of the Amendment to Information Form to reflect the total amount of bonds sold by the District. After review and discussion, Director Gilligan moved to authorize execution of the Amendment to Information Form and direct that it be filed with the Texas Commission on Environmental Quality and with Harris County as required by law. Director Taylor seconded the motion, which passed unanimously.

SERIES 2024 UNLIMITED TAX ROAD BONDS MATTERS

Ms. Cook discussed the proposed schedule for the District's Series 2024 Unlimited Tax Road Bonds.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Cook reviewed a draft Preliminary Official Statement and Official Notice of Sale for the District's issuance and sale of its \$9,585,000 Unlimited Tax Road Bonds, Series 2024 ("Series 2024 Road Bonds"). Following review and discussion, Director Taylor moved to approve the Preliminary Official Statement and Official Notice of Sale, subject to final review. Director Odum seconded the motion, which passed unanimously.

APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing a paying agent/registrar in connection with the Series 2024 Road Bonds. After discussion, Director Taylor moved to appoint The Bank of New York Mellon Trust Company, N.A., as the paying agent/registrar, as recommended by the financial advisor. Director Odum seconded the motion, which passed unanimously.

AUTHORIZE ADVERTISEMENT FOR SALE OF SERIES 2024 ROAD BONDS

The Board considered authorizing the District's financial advisor to advertise the sale of the District's Series 2024 Road Bonds. After discussion, Director Taylor moved to authorize the District's financial advisor to advertise the sale of the District's Series 2024 Road Bonds. Director Odum seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing the District's auditor, McCall Gibson

Swedlund Barfoot PLLC (“McCall”), to prepare the developer reimbursement report in connection with the bond sale. After discussion, Director Taylor moved to authorize McCall to prepare the developer reimbursement report. Director Odum seconded the motion, which passed unanimously.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING

Ms. Cook reviewed a 2024 tax rate recommendation, a copy of which is attached, and recommended that the Board levy a 2024 total tax rate of \$1.50, comprised of \$0.50 per \$100 of assessed valuation to provide for the District’s debt service requirements, \$0.50 to provide for the District’s contract tax requirements, and \$0.50 to provide for maintenance and operation requirements. Discussion ensued regarding the proposed tax rate. Ms. Leatherwood discussed the two-step process for setting the District’s tax rate.

The Board then considered setting a public hearing date and authorizing notice of a public hearing regarding the District’s adoption of a 2024 total tax rate. Following review and discussion, Director Taylor moved to (1) set the public hearing date for October 30, 2024; and (2) authorize the tax assessor/collector to publish notice of the District’s meeting on October 30, 2024, at 12:00 p.m., to set the proposed 2024 total tax rate of \$1.50 per \$100 of assessed valuation. Director Odum seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kurtz reviewed the bookkeeper’s report, a copy of which is attached, including the bills submitted for the Board’s review.

Following review and discussion, Director Gilligan moved to approve the bookkeeper’s report and the checks presented for payment. Director Taylor seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. McLaughlin reviewed the tax assessor/collector’s reports for the months of August and September, copies of which are attached, and stated that 99.1% of the District’s 2023 taxes had been collected as of August 31, 2024.

Following review and discussion, Director Gilligan moved to approve the tax assessor/collector’s reports and the checks presented for payment. Director Taylor seconded the motion, which passed unanimously.

SECURITY MATTERS, INCLUDING APPROVE COST SHARING AGREEMENT FOR LAW ENFORCEMENT SERVICES AND LEGAL CONFLICTS WAIVER

Ms. Leatherwood reported that, based on the recommendation of the Towne Lake/MUD Security Committee, the Towne Lake Community Association (“HOA”) and Harris County Municipal Utility District No. 500 (“HC 500”), as Internal District, law enforcement contracts will be consolidated into the HC 500 contract, with the Towne Lake/MUD Security Committee still overseeing the administration of the contract. The Board then considered rescinding approval of the Cost Sharing Agreement for Law Enforcement Services with the HOA, previously approved at the June 27, 2024, regular meeting.

Ms. Leatherwood reminded the Board that ABHR also represents HC 500 and Harris County Municipal Utility District No. 501 (“HC 501”) and reviewed a legal conflicts waiver with respect to the preparation of a Cost Sharing Agreement for Law Enforcement Services among the District, HC 500, HC 501, Harris County Municipal Utility District No. 502 (“HC 502”), and the HOA. Following review and discussion, Director Taylor moved to approve the legal conflicts waiver. Director Gilligan seconded the motion, which passed unanimously.

The Board then reviewed the proposed Cost Sharing Agreement for Law Enforcement Services among the District, HC 500, HC 501, HC 502, and the HOA. After review and discussion, Director Taylor moved to (1) rescind approval of the Cost Sharing Agreement for Law Enforcement Services with the HOA; and (2) approve the Cost Sharing Agreement for Law Enforcement Services among the District, HC 500, HC 501, HC 502, and the HOA and direct that the Agreement be filed appropriately and retained in the District’s official records. Director Gilligan seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Duncan reviewed the operator’s report, a copy of which is attached.

Following review and discussion, Director Gilligan moved to approve the operator’s report. Director Taylor seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

Ms. Duncan submitted a list of delinquent accounts to the Board for termination of utility service. She stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. Ms. Duncan noted that the accounts listed have neither attended the Board meeting nor contacted Inframark’s office or the District to contest or explain the charges. After

discussion, Director Gilligan moved to authorize Inframark to proceed with termination of utility service to the delinquent accounts pursuant to the provisions of the District's Rate Order. Director Taylor seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Gaden reviewed the engineer's report, a copy of which is attached.

AGREEMENTS AND CONSTRUCTION CONTRACTS

There was no discussion on this agenda item.

REPORT ON UPRR/HIGHWAY 290 PROJECT

Mr. Gaden and Ms. Leatherwood updated the Board on the status of HC 500, as Master District's, UPRR/Highway 290 Project.

DEEDS AND EASEMENTS

The Board considered approving a Consent to Encroachment with CC Towne Lake MF II, L.P. for the installation of fiber optic lines within District easements. After review and discussion, Director Gilligan moved to approve the Consent to Encroachment with CC Towne Lake MF II, L.P. and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

HC 500 MASTER DISTRICT MATTERS

Mr. Gaden and Ms. Leatherwood updated the Board on the status of HC 500, as Master District, projects.

AMENDED AND RESTATED DEVELOPMENT FINANCING AGREEMENT

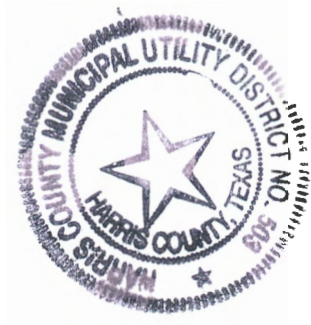
Ms. Leatherwood stated that the District's Development Financing Agreement with CW SCOA West, L.P. might need to be amended and restated to update certain statutory verifications. The Board then considered authorizing execution of an Amended and Restated Development Financing Agreement with CW SCOA West, L.P., if necessary. After review and discussion, Director Taylor moved to authorize execution of Amended and Restated Development Financing Agreement, if necessary. Director Gonzalez seconded the motion, which passed unanimously.

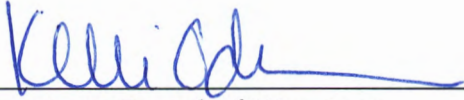
REPORT ON DEVELOPMENT

Mr. Crahan updated the Board on the status of development in Towne Lake.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

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