

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

Minutes of the Meeting of Board of Directors August 12, 2024

The Board of Directors (the "Board") of Waller County Municipal Utility District No. 35 (the "District") met in regular session, open to the public, on August 12, 2024, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted members of the Board, as follows:

Victoria A. Battistini, President
Ryan C. Ward, Vice President
Jaclyn Day, Secretary
Daniel C. Feiler, Assistant Secretary
Tiffani S. Walker, Assistant Secretary

all of whom were present with the exception of Director Ward, thus constituting a quorum.

Also present were: Blair Bozoarth of Quiddity Engineering, LLC ("Quiddity"); Jennifer Abad of Municipal Accounts & Consulting, L.P. ("MA&C"); Dana Hollingsworth of Municipal District Services, LLC ("MDS"); Stephen Eustis of Robert W. Baird & Co., Inc. ("Baird"); Kristen Scott of BLICO, Inc., dba Bob Leared Interests ("BLICO"); Brian Krueger of Forvis Mazars, LLP ("Forvis"); Damon Vela of Kudela & Weinheimer ("K&W"); Shamar O'Bryant on behalf of Astro Sunterra, L.P. ("Astro Sunterra"); and Christina Cole and Kris Eddlemon of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

There were no comments from members of the public.

MINUTES

The Board considered the minutes of its meeting held on July 22, 2024. After discussion regarding the minutes previously forwarded for review, it was moved by Director Feiler, seconded by Director Walker, and unanimously carried, that said minutes be approved, as written.

REVIEW AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$1,170,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "SERIES 2024 BONDS")

As the next order of business, it was announced that, pursuant to notice published as required by law (the "Notice"), public bids for the sale of the Series 2024 Bonds were to be received at the time, place and manner required by the Notice. Mr. Eustis announced that three (3) bids had been received and presented same to the Board. He also presented a bid recommendation and Bid

Confirmation summary prepared by Baird. Copies of such documents are attached hereto as **Exhibit A**. He then advised that he had confirmed the accuracy of all bids and that the low bid was submitted by RBC Capital Markets ("RBC") at a net effective interest rate of 4.414218%. Mr. Eustis further noted that the Series 2024 Bonds will be insured by Assured Guaranty Inc. and that the underwriter of the Series 2024 Bonds will pay the premium for such insurance. After a discussion of the bids received, Director Battistini moved that the Board accept the low bid of RBC for the purchase of the Series 2024 Bonds at a net effective interest rate of 4.414218%. Director Day seconded said motion, which unanimously carried.

ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024 BONDS

The Board considered adoption of an Order Authorizing Issuance of the Series 2024 Bonds (the "Bond Order"); a copy of the Bond Order is attached hereto as **Exhibit B**. In connection therewith, Ms. Cole presented a copy of the Bond Order and reviewed various provisions of same with the Board. After discussion, it was duly moved by Director Battistini, seconded by Director Day and unanimously carried, that the Bond Order be passed and adopted, subject to final completion of same, that the President or Vice President be authorized to execute the Bond Order, and that the Secretary or Assistant Secretary attest such execution on behalf of the Board and the District.

FINAL OFFICIAL STATEMENT

The Board considered approval and distribution of the Final Official Statement, relative to the Series 2024 Bonds, to be completed by the District's Financial Advisor. After discussion on the matter, Director Battistini moved that Baird be authorized to complete the Final Official Statement and that the same be adopted as final by the Board and the District, subject to the final review and approval of the District's consultants, and that distribution of same by Baird be authorized. Director Day seconded said motion, which unanimously carried.

PAYING AGENT/REGISTRAR AGREEMENT

The Board considered and reviewed the proposed Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. ("BONY") relative to the Series 2024 Bonds, a copy of which is attached as **Exhibit C**. Ms. Cole reviewed various provisions of said Agreement with the Board. After discussion, Director Battistini moved that (i) the Agreement with BONY be approved by the Board and the District, and (ii) the President or Vice President be authorized to execute the Agreement on behalf of the Board and the District. Director Day seconded said motion, which unanimously carried.

CORRESPONDENCE REGARDING MATURITY SCHEDULE FOR THE SERIES 2024 BONDS

Ms. Cole next advised the Board that the final maturity schedule prepared for the Series 2024 Bonds included in the offering documents differed from the maturity schedule provided to the Texas Commission on Environmental Quality ("TCEQ") in the District's Bond Application Report. In this regard, Ms. Cole advised that SPH has prepared correspondence to the TCEQ, a copy of which is attached hereto as **Exhibit D**, notifying the TCEQ of the revised maturity schedule for the Series 2024 Bonds, as required by law. Following discussion, Director Battistini

moved to authorize the President to execute said correspondence and authorize SPH to send same to the TCEQ. Director Day seconded said motion, which unanimously carried.

RESOLUTION AUTHORIZING ISSUANCE OF NOTICE OF REDEMPTION OF THE DISTRICT'S \$510,000 BOND ANTICIPATION NOTE, SERIES 2023

The Board next considered providing notice to Third Coast Bank (formerly known as Third Coast Bank SSB) ("Third Coast"), as the owner and holder of the District's \$510,000 Bond Anticipation Note, Series 2023 (the "Note"), that the District will exercise its option to redeem said Note on September 11, 2024, following closing on the Bonds. After discussion on the matter, it was moved by Director Battistini that Third Coast be provided with such notice of redemption and that the Resolution Authorizing Issuance of Notice of Redemption of Bond Anticipation Note (the "Resolution") be adopted by the Board. Director Day seconded said motion, which unanimously carried. A copy of the Resolution is attached hereto as **Exhibit E**.

OTHER MATTERS CONCERNING THE SERIES 2024 BONDS

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Series 2024 Bonds, including authorizing the execution of various documents by the President or Vice President and Secretary or Assistant Secretary in connection therewith. Ms. Cole presented to and reviewed with the Board the General Certificate, Signature and No-Litigation Certificate, the letter of instruction to the Attorney General, the Initial Bonds, and other documents relating to the sale of and closing on the Series 2024 Bonds. After further discussion of the matter, Director Battistini moved that the President or Vice President and Secretary or Assistant Secretary be authorized to execute said documents and that SPH be authorized to handle all matters in connection with the sale of the Series 2024 Bonds and filing of a transcript with the Attorney General of the State of Texas. Director Day seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF AUDIT OF PAYMENTS FROM BOND PROCEEDS

As the next order of business, the Board considered the engagement of an auditor for preparation of audit of payments to the developer and other parties out of the proceeds of the Series 2024 Bonds. In connection therewith, Mr. Krueger presented and reviewed with the Board an engagement letter for said reimbursement audit. After discussion, Director Battistini moved that (i) Forvis be engaged to prepare an audit of the payments proposed to be made out of the proceeds of the Series 2024 Bonds, in accordance with the terms outlined in Forvis' engagement letter, a copy of which is attached hereto as **Exhibit F**, (ii) the President be authorized to execute such engagement letter on behalf of the Board and the District, and (iii) Texas Ethics Commission ("TEC") Form 1295 provided by Forvis be approved and SPH be authorized to acknowledge receipt of same with the TEC. Director Day seconded said motion, which unanimously carried.

REVIEW AND ACT UPON BIDS FOR THE PURCHASE OF THE DISTRICT'S \$2,385,000 UNLIMITED TAX ROAD BONDS, SERIES 2024 (THE "SERIES 2024 ROAD BONDS")

As the next order of business, it was announced that, pursuant to notice published as required by law (the "Notice"), public bids for the sale of the Series 2024 Road Bonds were to be received at the time, place and manner required by the Notice. Mr. Eustis announced that four (4) bids had been received and presented same to the Board. He also presented a bid recommendation and Bid Confirmation summary prepared by Baird. Copies of such documents are attached hereto as **Exhibit G**. He then advised that he had confirmed the accuracy of all bids and that the low bid was submitted by RBC at a net effective interest rate of 4.417873%. Mr. Eustis further noted that the Series 2024 Road Bonds will be insured by Assured Guaranty Inc. and that the underwriter of the Series 2024 Road Bonds will pay the premium for such insurance. After a discussion of the bids received, Director Battistini moved that the Board accept the low bid of RBC for the purchase of the Series 2024 Road Bonds at a net effective interest rate of 4.417873%. Director Day seconded said motion, which unanimously carried.

ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024 ROAD BONDS

The Board considered adoption of an Order Authorizing Issuance of the Series 2024 Road Bonds (the "Bond Order"); a copy of the Bond Order is attached hereto as **Exhibit H**. In connection therewith, Ms. Cole presented a copy of the Bond Order and reviewed various provisions of same with the Board. After discussion, it was duly moved by Director Battistini, seconded by Director Day and unanimously carried, that the Bond Order be passed and adopted, subject to final completion of same, that the President or Vice President be authorized to execute the Bond Order, and that the Secretary or Assistant Secretary attest such execution on behalf of the Board and the District.

FINAL OFFICIAL STATEMENT

The Board considered approval and distribution of the Final Official Statement, relative to the Series 2024 Road Bonds, to be completed by the District's Financial Advisor. After discussion on the matter, Director Battistini moved that Baird be authorized to complete the Final Official Statement and that the same be adopted as final by the Board and the District, subject to the final review and approval of the District's consultants, and that distribution of same by Baird be authorized. Director Day seconded said motion, which unanimously carried.

PAYING AGENT/REGISTRAR AGREEMENT

The Board considered and reviewed the proposed Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. ("BONY") relative to the Series 2024 Road Bonds, a copy of which is attached as **Exhibit I**. Ms. Cole reviewed various provisions of said Agreement with the Board. After discussion, Director Battistini moved that (i) the Agreement with BONY be approved by the Board and the District, and (ii) the President or Vice President be authorized to execute the Agreement on behalf of the Board and the District. Director Day seconded said motion, which unanimously carried.

SERIES 2024 ROAD BONDS PRE-AUDIT REPORT

The Board considered the pre-audit for the Series 2024 Road Bonds issuance. Mr. Krueger presented a draft pre-audit report, a copy of which is attached hereto as **Exhibit J**. After discussion, Director Battistini moved that the Board approve the pre-audit report for the Series 2024 Road Bonds, as presented. Director Day seconded said motion, which unanimously carried.

OTHER MATTERS CONCERNING THE SERIES 2024 ROAD BONDS

As the next order of business, the Board considered acting upon any other matters relative to the sale of the Series 2024 Road Bonds, including authorizing the execution of various documents by the President or Vice President and Secretary or Assistant Secretary in connection therewith. Ms. Cole presented to and reviewed with the Board the General Certificate, Signature and No-Litigation Certificate, the letter of instruction to the Attorney General, the Initial Bonds, and other documents relating to the sale of and closing on the Series 2024 Road Bonds. After further discussion of the matter, Director Battistini moved that the President or Vice President and Secretary or Assistant Secretary be authorized to execute said documents and that SPH be authorized to handle all matters in connection with the sale of the Series 2024 Road Bonds and filing of a transcript with the Attorney General of the State of Texas. Director Day seconded said motion, which unanimously carried.

APPROVAL OF DOCUMENTS IN CONNECTION WITH ISSUANCE OF BONDS

The Board next considered approval of (i) Resolutions to Comply with the Securities and Exchange Commission Rule 15c2-12, and (ii) General Certificates in connection with Harris-Waller Counties Municipal Utility District No. 4 \$15,770,000 Contract Revenue Bonds, Series 2024 and, \$16,395,000 Contract Revenue Road Bonds, Series 2024. Following discussion, it was moved by Director Walker, seconded by Director Day, and unanimously carried that the Board approve the (i) Resolutions to Comply with the Securities and Exchange Commission Rule 15c2-12, and (ii) General Certificates, copies of which are attached hereto as **Exhibit K** and **Exhibit L**, respectively.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Scott presented to and reviewed with the Board a written Tax Assessor-Collector Report ("TAC Report") for the period ended July 31, 2024, including the disbursements presented therein for payment from the District's tax account, a copy of which TAC Report is attached hereto as **Exhibit M**. After discussion, on motion made by Director Walker, seconded by Director Day and unanimously carried, the Board approved the TAC Report and authorized the payments listed therein.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE

The Board deferred consideration of the financial advisor's recommendation concerning the District's 2024 tax rate until the next meeting.

OPERATOR'S REPORT

Ms. Hollingsworth presented to and reviewed with the Board the Operations Report dated August 12, 2024, a copy of which is attached hereto as **Exhibit N**. She advised the Board that there is one (1) delinquent account in the amount of \$678.84, which MDS has been unable to collect. She advised that MDS recommends this account be turned over to collections for further collection efforts. Following discussion, Director Walker moved that MDS be authorized to turn over the subject account to collections for further collection efforts, as discussed and as reflected in the Operations Report. Director Battistini seconded said motion, which unanimously carried.

ENGINEERING REPORT

Mr. Bozoarth next presented to and reviewed with the Board an Engineering Report dated August 12, 2024, a copy of which report is attached hereto as **Exhibit O**, relative to the status of various engineering and construction projects within the District. Upon review, Director Battistini moved that the Engineering Report and all actions noted therein be approved as recommended by Quiddity, including acceptance and approval of a Special Warranty Deed (Recreational Sites in Sunterra Sections 65 and 66). Director Feiler seconded the motion, which unanimously carried.

REVISED EXHIBIT TO MAINTENANCE AGREEMENT RELATING TO RECREATIONAL FACILITIES

The Board next considered approval of a revised exhibit to the Maintenance Agreement between the District and Sunterra Property Owners Association, Inc., a copy of which is attached hereto as **Exhibit P**. Following discussion, Director Battistini moved that the Board approve the revised exhibit and authorize the President to execute same on behalf of the Board and the District. Director Feiler seconded the motion, which unanimously carried.

UTILITY DEVELOPMENT AGREEMENTS; ACKNOWLEDGMENTS OF ASSIGNMENT OF UTILITY DEVELOPMENT AGREEMENT PROCEEDS

The Board next considered approval of Utility Development Agreements for road and recreational facilities between the District and (i) AG EHC II (LEN) Multi State 4, LLC ("AG"), and (ii) D.R. Horton – Texas, Ltd. ("D.R. Horton") (collectively, the "UDA's"); and approval of Acknowledgements of Assignment of Utility Development Agreement proceeds (collectively, the "Assignments"). Following discussion Director Battistini moved that the Board (i) approve the UDA's and Assignments, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to accept and acknowledge the associated TEC 1295 Forms provided by AG and D.R. Horton. Director Feiler seconded the motion, which unanimously carried.

SILT SOLUTIONS, INC.

The Board next considered a report from Silt Solutions, Inc. ("SSI") in connection with storm water pollution and prevention services. Ms. Cole advised that SSI provided a report for the

period July 15, 2024 – August 5, 2024, a copy of which is attached hereto as **Exhibit Q**.

LANDSCAPE ARCHITECTURE REPORT(S)

Mr. Vela presented to and reviewed with the Board a monthly report prepared by K&W regarding the status of various recreational projects, a copy of which report is attached hereto as **Exhibit R**. Following discussion, Director Battistini moved that K&W's report and all actions noted therein be approved as recommended by K&W. Director Feiler seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Abad presented to and reviewed with the Board the Bookkeeper's Report, dated August 12, 2024, attached hereto as **Exhibit S**, including the disbursements presented for payment, as prepared by MA&C. After discussion, it was moved by Director Feiler that the Bookkeeper's Report be approved, and that the disbursements identified in the Bookkeeper's Report be authorized for payment. Director Battistini seconded said motion, which unanimously carried.

DEVELOPER'S REPORT

Mr. O'Bryant discussed the status of development within the District.

SECURITY PATROL REPORT

Ms. Cole presented to and reviewed with the Board the Security Patrol Report prepared by On-Site Services, LLC for the month of July 2024, a copy of which is attached hereto as **Exhibit T**.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Cole advised the Board that the District is in receipt of an open records request from Real Cost Analytics requesting copies of certain documents related to the construction of facilities to serve Sunterra Sections 56, 70, and 74-77. She further advised that SPH will provide the requested documents to Real Cost Analytics on behalf of the District. It was noted that no action was required of the Board at this time in connection with said request.

Ms. Cole next reminded the Board that, at the previous meeting, it was reported that Best Trash, LLC ("Best Trash") provided correspondence to Harris County Municipal Utility District No. 569 regarding its annual CPI rate adjustment to become effective in the August 2024 billing cycle, and that the rate would increase from \$23.80 to \$25.45. She noted that the incorrect rate was reported, and that the rate will increase to \$25.36. Ms. Cole advised that the District has not yet received a copy of a notice from Best Trash related to the CPI rate adjustment.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. No items were requested to be added to future agendas other than those items discussed hereinabove.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Battistini, seconded by Director Feiler, and unanimously carried, the meeting was adjourned.

(SEAL)


Assistant Secretary

737770

LIST OF ATTACHMENTS

EXHIBIT A	Bid Recommendation and Bid Confirmation Summary (Series 2024 Bonds)
EXHIBIT B	Order Authorizing Issuance of the Series 2024 Bonds
EXHIBIT C	Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. (Series 2024 Bonds)
EXHIBIT D	Correspondence to the Texas Commission on Environmental Quality (Series 2024 Bonds)
EXHIBIT E	Resolution Authorizing Issuance of Notice of Redemption of Bond Anticipation Note
EXHIBIT F	Engagement Letter (Series 2024 Bonds)
EXHIBIT G	Bid Recommendation and Bid Confirmation Summary (Series 2024 Road Bonds)
EXHIBIT H	Order Authorizing Issuance of the Series 2024 Road Bonds
EXHIBIT I	Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. (Series 2024 Road Bonds)
EXHIBIT J	Draft Pre-Audit Report (Series 2024 Road Bonds)
EXHIBIT K	Resolutions to Comply with the Securities and Exchange Commission Rule 15c2-12
EXHIBIT L	General Certificates
EXHIBIT M	Tax Assessor-Collector's Report
EXHIBIT N	Operations Report
EXHIBIT O	Engineering Report
EXHIBIT P	Revised Exhibit to the Maintenance Agreement between the District and Sunterra Property Owners Association, Inc.
EXHIBIT Q	Report provided by Silt Solutions, Inc.
EXHIBIT R	Report provided by Kudela & Weinheimer
EXHIBIT S	Bookkeeper's Report
EXHIBIT T	Security Patrol Report

Exhibit A



Summary of Bid Results – Utility Bonds

Bids Comparison
Waller County Municipal Utility District No. 35
\$1,170,000 Unlimited Tax Bonds, Series 2024

RBC Capital Markets - Dallas, TX			SAMCO Capital Markets - Dallas, TX			HilltopSecurities - Dallas, TX		
Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon
9/1/2026	25	6.500%	9/1/2026	25	6.000%	9/1/2026	25	6.500%
9/1/2027	25	6.500%	9/1/2027	25	6.500%	9/1/2027	25	6.500%
9/1/2028	30	6.500%	9/1/2028	30	6.500%	9/1/2028	30	6.000%
9/1/2029	30	6.500%	9/1/2029	30	6.500%	9/1/2029	30	6.000%
9/1/2030	30	6.500%	9/1/2030	30	6.500%	9/1/2030	30	6.000%
9/1/2031	30	6.500%	9/1/2031			9/1/2031		
9/1/2032			9/1/2032			9/1/2032		
9/1/2033			9/1/2033	100	6.500%	9/1/2033		
9/1/2034	105	5.000%	9/1/2034			9/1/2034	135	6.500%
9/1/2035			9/1/2035			9/1/2035		
9/1/2036			9/1/2036	115	4.500%	9/1/2036		
9/1/2037	125	5.000%	9/1/2037			9/1/2037		
9/1/2038			9/1/2038			9/1/2038		
9/1/2039	90	4.000%	9/1/2039	135	4.000%	9/1/2039	215	4.000%
9/1/2040	50	4.000%	9/1/2040			9/1/2040		
9/1/2041	50	4.000%	9/1/2041	100	4.000%	9/1/2041		
9/1/2042	55	4.000%	9/1/2042			9/1/2042		
9/1/2043	55	4.000%	9/1/2043	110	4.000%	9/1/2043		
9/1/2044	60	4.000%	9/1/2044			9/1/2044	270	4.250%
9/1/2045			9/1/2045	120	4.125%	9/1/2045		
9/1/2046	125	4.000%	9/1/2046			9/1/2046		
9/1/2047			9/1/2047	130	4.125%	9/1/2047		
9/1/2048	135	4.000%	9/1/2048			9/1/2048		
9/1/2049			9/1/2049			9/1/2049		
9/1/2050	150	4.000%	9/1/2050	220	4.125%	9/1/2050	410	4.250%
NIC:	4.414218%		NIC:	4.466725%		NIC:	4.587349%	

Bid Confirmation

Closing Date: September 11, 2024

Paying Agent: The Bank of New York Mellon

Bond Discount Allowed: 3.00%

Call Date: September 1, 2030

Bank-Qualified: No

Winning Bidder – Utility

Bond Discount Taken: 3.000000%

NIC: 4.414218%

Insurance: AG; \$28,080.00

Good Faith: ✓

Standing Letter Requirement: ✓

Winning Bidder – Road

Bond Discount Taken: 3.000000%

NIC: 4.417873%

Insurance: AG; \$57,240.00

Good Faith: ✓

Standing Letter Requirement: ✓

Exhibit B

ORDER AUTHORIZING THE ISSUANCE OF
\$1,170,000 UNLIMITED TAX BONDS, SERIES 2024

BE IT ORDERED BY THE BOARD OF DIRECTORS OF WALLER COUNTY
MUNICIPAL UTILITY DISTRICT NO. 35:

ARTICLE ONE

STATUTORY AUTHORITY, RECITALS AND FINDINGS

SECTION 1.01: AUTHORITY FOR THE DISTRICT. Waller County Municipal Utility District No. 35 (the "District"), was organized, created and established as a conservation and reclamation district by an act of the 86th Texas Legislature, effective June 10, 2019, codified as Chapter 8071, Texas Special District Local Laws Code (the "Act") pursuant to the provisions of Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution, and operates pursuant to Chapter 49 and Chapter 54, V.T.C.A. Water Code, as amended (the "Water Code") and the Act.

SECTION 1.02: PURPOSES OF THE DISTRICT. The District was created and operates by and pursuant to the Water Code and the Act for the following purposes:

- (a) the control, storage, preservation and distribution of its storm water and floodwater, the water of its rivers and streams for irrigation, power, and all other useful purposes;
- (b) the reclamation and irrigation of its arid, semiarid, and other land needing irrigation;
- (c) the reclamation and drainage of its overflowed land and other land needing drainage;
- (d) the conservation and development of its forests, water, and hydroelectric power;
- (e) the navigation of its inland and coastal water;
- (f) the control, abatement, and change of any shortage or harmful excess of water;
- (g) the protection, preservation and restoration of the purity and sanitary condition of water within the state; and
- (h) the preservation of all natural resources of the state.

SECTION 1.03: POWERS OF THE DISTRICT. The District is authorized by the Water Code and the Act to:

- (a) purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside and outside its boundaries any and all land, works, improvements, facilities, plants, equipment and appliances necessary to accomplish the purposes of its creation, including all works, improvements, facilities, plants, equipment and appliances incident, helpful, or necessary to:
 - (i) supply water for municipal uses, domestic uses, power and commercial purposes and all other beneficial uses or controls;
 - (ii) collect, transport, process, dispose of and control all domestic, industrial, or communal wastes whether in fluid, solid, or composite state;
 - (iii) gather, conduct, divert, and control local storm water or other local harmful excesses of water in the District;
 - (iv) irrigate the land in the District;
 - (v) alter land elevation in the District where it is needed;
 - (vi) navigate coastal and inland waters of the District;
- (b) finance, develop and maintain recreational facilities for the people of the District, if and as allowed by applicable law; and
- (c) design, acquire, construct, finance and issue bonds for roads, under the authority of Article III, Section 52, Texas Constitution, Chapter 54 of the Water Code, as amended, and the Act.

SECTION 1.04: AUTHORITY OF THIS ORDER. The District is authorized by the Water Code to issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending any District works, improvements, facilities, plants, equipment, and appliances needed to accomplish the purposes for which the District was created, including works, improvements, facilities, plants, equipment and appliances needed to provide a waterworks system, sanitary sewer system, drainage system, and solid waste disposal system, or to make payment of sums due or to become due under contracts for such purposes, or to refund or provide for payment of any outstanding bonds, notes or other obligations of the District. Said bonds are authorized by the Act, the Water Code and by V.T.C.A. Government Code, §1201.001 *et seq.*, as amended, to be issued in various series or issues, with or without interest coupons, in any denomination, payable at such time or times, in such amount or amounts or installments, at such place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as

determined by the Board of Directors of the District, and the Board of Directors finds that issuance of said bonds in multiple series or issues over an extended period of time is in the best interests of the District in order to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical.

SECTION 1.05: **FINDINGS.** It is hereby found, determined and declared that:

- (a) the matters and facts set out in this Article One are true and correct;
- (b) the creation of the District was confirmed at an election held within and for the District on November 2, 2021;
- (c) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$290,905,000 for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and all land, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;
- (d) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$64,650,000 for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending recreational facilities, including, but not limited to, all additions to such facilities and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;
- (e) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$131,600,000 for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, including, but not limited to, all additions to such facilities, and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such

bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;

- (f) at an election held within and for the District on November 2, 2021, the District was authorized to issue refunding bonds in the maximum aggregate principal amount of (i) \$290,905,000 to provide for the refunding by any lawful means of all or any portion of the Bonds (hereinafter defined), Additional Bonds (hereinafter defined) or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (c) of this Section, (ii) \$64,650,000 to provide for the refunding by any lawful means of all or any portion of Additional Bonds or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (d) of this Section, and (iii) \$131,600,000 to provide for the refunding by any lawful means of all or any portion of Additional Bonds or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (e) of this Section;
- (g) the elections described in paragraphs (b), (c), (d), (e) and (f) hereof were called and held under and in strict conformity with the Constitution and laws of the State of Texas and of the United States of America, and the Board of Directors of the District has heretofore officially declared the results of said elections and declared that the District was legally created and authorized to issue the bonds described in paragraphs (c), (d), (e), and (f) above;
- (h) pursuant to the authority of the election held November 2, 2021, as described in paragraph (e) above, the District has heretofore issued its \$4,210,000 Unlimited Tax Road Bonds, Series 2023, dated as of December 1, 2023 (the "Series 2023 Road Bonds") to finance the acquisition and construction of road facilities to serve land within the District and, as of the date hereof, there remains outstanding and unpaid \$4,210,000 in aggregate principal amount of the Series 2023 Road Bonds (the "Outstanding Bonds");
- (i) in addition to the Outstanding Bonds, and pursuant to the authority of the election held November 2, 2021, as described in paragraph (e) above, the District anticipates the issuance of its \$2,385,000 Unlimited Tax Road Bonds, Series 2024, to be dated as of September 1, 2024 (the "Series 2024 Road Bonds"), simultaneously with the issuance of the Bonds to finance the acquisition and/or construction of road improvements to serve land within the District and the land acquisition related to same;
- (j) the \$1,170,000 bonds authorized by this Order should be issued pursuant to the authority of the election held on November 2, 2021, as described in paragraph (c) above for the acquisition and/or construction of water, sanitary sewer and storm drainage facilities to serve land within the District, to pay the principal of, accrued interest on, and issuance costs for the District's Series 2023 Bond Anticipation

Note issued in anticipation of the issuance of the Bonds, and to pay certain other costs and expenses relating to the issuance of the Bonds;

- (k) the District has been authorized to levy taxes in payment of the Bonds, and the taxes to be levied and collected will be sufficient to pay the principal of the Bonds herein authorized as it becomes due and the interest thereon as it accrues and becomes payable; and
- (l) the Board of Directors reserves the right to issue the remaining \$289,735,000 unissued bonds which were authorized at the election held on November 2, 2021, as described in paragraph (c) hereof (assuming issuance of the Bonds), the remaining \$64,650,000 unissued bonds which were authorized at the election described in paragraph (d) hereof, the remaining \$125,005,000 unissued bonds (assuming the simultaneous issuance of the Series 2024 Road Bonds) which were authorized at the election described in paragraph (e) hereof, and the remaining \$290,905,000, \$64,650,000, and \$131,600,000 unissued bonds which were authorized at the election described in paragraph (f) hereof, in one or more series, at a future date or dates when, in the judgment of the Board of Directors, such amounts are required for authorized purposes.

(End of Article One)

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

SECTION 2.01: DEFINITIONS. The following definitions, together with any supplemental definitions contained herein or in any exhibit hereto, shall apply with equal force herein and in any amendment or supplement hereto, and the scope and meaning of terms used in Exhibit "A", Exhibit "B" and Exhibit "C" hereto, whether or not defined therein, shall be determined by reference to this Article.

Act.

The term "Act" is defined in Section 1.01 hereof.

Additional Bonds.

The term "Additional Bonds" shall mean any additional bonds, including bonds payable in whole or in part from taxes, revenue bonds, contract revenue bonds, special project revenue bonds, refunding bonds and other bonds which the Board of Directors expressly reserves the right to issue in Article Nine of this Order.

Authorized Investments.

The term "Authorized Investments" shall mean all instruments which are authorized under the District's policies for investment of funds of the District adopted by the Board of Directors of the District from time to time, but in any event, all such instruments shall be authorized under the laws of the State of Texas for investment of funds of municipal utility districts.

Board of Directors.

The term "Board of Directors" shall mean the governing body of the District, as now or hereafter constituted.

Bond Counsel.

The term "Bond Counsel" shall mean the law firm of Schwartz, Page & Harding, L.L.P., Houston, Texas.

Bond Fund.

The term "Bond Fund" shall mean the District's debt service fund created and established pursuant to the Prior Bond Order.

Bond Fund Road Bond Account.

The term "Bond Fund Road Bond Account" shall mean the special account created and established pursuant to the Prior Bond Order.

Bonds.

The term "Bond" or "Bonds" shall mean any Bond or Bonds, as the case may be, of the issue of \$1,170,000 Unlimited Tax Bonds, Series 2024, initially dated as of September 1, 2024, and authorized, issued and delivered pursuant to this Order.

Business Day.

The term "Business Day" or "Business Days" shall mean any calendar day or days which fall on Monday through Friday, but shall not include any such day which is designated as an official state or national holiday or a day on which financial institutions where the Paying Agent is located are authorized or required by state or national law or by executive order to close.

Construction Fund.

The term "Construction Fund" shall mean the District's construction fund created and established pursuant to the Prior Bond Order.

Delivery Date.

The term "Delivery Date" shall mean, with respect to any one or more of the Bonds, the date of delivery of such Bond(s) to the Initial Purchaser thereof, as printed, stamped, or typed on the Initial Bonds.

DTC.

The term "DTC" means the Depository Trust Company of New York, New York, or any successor securities depository.

DTC Participant.

The term "DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC holds securities to facilitate the clearance and settlement of securities transactions among such DTC Participants.

District.

The term "District" is defined in Article One hereof and shall mean and include any successors and assigns of the District and, where appropriate, shall refer to the Board of Directors of the District.

Fiscal Year.

The term "Fiscal Year" shall mean the annual period from June 1 through May 31, or such other period as may hereafter be established by resolution of the Board of Directors of the District.

Holder.

The term "Holder" or "Holders" shall mean, when used with respect to any Bond, the Person or Persons in whose name such Bond is registered on the Register.

Initial Bonds.

The term "Initial Bond" or "Initial Bonds" shall mean any one or more of the Bonds authorized, issued and initially delivered hereunder upon which the manually executed certificate of registration of the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized deputy, substantially in the form prescribed in Section 5.03 hereof, has been placed.

Initial Date.

The term "Initial Date" shall mean September 1, 2024.

Initial Purchaser.

The term "Initial Purchaser" shall mean the Person or Persons to whom the Bonds are to be sold and delivered, as provided in Section 13.01 hereof.

Interest Payment Date.

The term "Interest Payment Date" shall mean the date on which interest on any then outstanding Bond is due and payable, as provided in Section 3.04 hereof.

Letter of Representation.

The term "Letter of Representation" shall mean the Blanket Issuer Letter of Representations between the District and DTC, as same may be amended or supplemented from time to time.

Maturity Date.

The term "Maturity Date" shall mean any date on which the principal of any then outstanding Bond is due and payable, as provided in Section 3.03 hereof.

Net Proceeds.

Except as said term is otherwise specifically defined for purposes of Section 8.01 hereof, the term "Net Proceeds" shall mean all proceeds received by the District from the sale of the Bonds, except those proceeds deposited into the Bond Fund pursuant to the provisions of Section 7.04 hereof.

Order.

The term "Order" shall mean this Order and all amendments or supplements hereto.

Outstanding Bonds.

The term "Outstanding Bonds" is defined in Section 1.05 hereof.

Paying Agent.

The term "Paying Agent" shall mean the Person selected and maintained from time to time by the District for the purpose of making payment on behalf of the District of the principal of and the interest on the Bonds, as provided in Section 12.06 of this Order.

Person.

Except as said term is otherwise specifically defined for purposes of Section 8.01 hereof, the term "Person" shall mean any individual, corporation, partnership, firm, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

Predecessor Bonds.

The term "Predecessor Bonds" shall mean, with respect to any particular Bond, every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond, and, for the purposes of this definition, any Bond registered and delivered pursuant to Section 3.10 hereof shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Bond in lieu of which such Bond was delivered.

Prior Bond Order.

The term "Prior Bond Order" shall mean the order of the Board of Directors of the District authorizing the issuance of the Series 2023 Road Bonds, and amendments and supplements thereto, if any.

Record Date.

The term "Record Date" shall mean, with respect to an Interest Payment Date of March 1, the preceding February 15, and with respect to an Interest Payment Date of September 1, the preceding August 15, whether or not such dates are Business Days.

Redemption Date.

The term "Redemption Date" shall mean, when used with respect to any Bond to be redeemed prior to its Maturity Date, the date fixed for redemption of such Bond pursuant to the terms of this Order.

Register.

The term "Register" shall mean the registry books maintained on behalf of the District by a Registrar designated by the District for such purpose in which are maintained the names and addresses of Holders and the principal amounts of the Bonds registered in the name of each Holder.

Registrar.

The term "Registrar" shall mean the trust or banking corporation or association designated and acting in such capacity from time to time, as provided in Section 12.05 of this Order.

Road Construction Fund Account.

The term "Road Construction Fund Account" shall mean the special account created and established pursuant to the Prior Bond Order.

Serial Bonds.

The term "Serial Bond" or "Serial Bonds" shall mean any one or more as the case may be of the Bonds issued hereunder as serial bonds, which have Maturity Dates in the years 2026 through 2031, inclusive, and 2040 through 2044, inclusive, and which are not subject to mandatory redemption pursuant to Section 4.01 hereof.

Series 2023 Road Bonds.

The term "Series 2023 Road Bonds" is defined in Section 1.05 hereof.

System.

The term "System" shall mean a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and

all land, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith, now owned or hereafter purchased, constructed or otherwise acquired, and all extensions and replacements thereof and improvements thereto whensoever made.

Term Bonds.

The term "Term Bond" or "Term Bonds" shall mean one or more, as the case may be, of the Bonds issued hereunder as term bonds which have a Maturity Date in the years 2034, 2037, 2039, 2046, 2048, and 2050, and which are subject to mandatory redemption pursuant to Section 4.01 hereof.

Water Code.

The term "Water Code" is defined in Article One hereof.

SECTION 2.02: INTERPRETATIONS; TIME OF PERFORMANCE. The titles and headings of the articles and sections of this Order have been inserted 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 or 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 taxes levied in payment thereof. Unless a time period specified for performance of any action under this Order is specified to be a Business Day or Business Days, such performance time period means the number of calendar days for such performance to be accomplished.

(End of Article Two)

ARTICLE THREE

AUTHORIZATION, DESCRIPTION AND EXECUTION OF BONDS

SECTION 3.01: AMOUNT, NAME, PURPOSE AND AUTHORIZATION. The Bonds of the District, to be known and designated as "Waller County Municipal Utility District No. 35 Unlimited Tax Bonds, Series 2024", shall be issued in the aggregate principal amount of One Million One Hundred Seventy Thousand Dollars (\$1,170,000) for the purpose or purposes of paying the principal of, accrued interest on, and issuance costs for the District's Series 2023 Bond Anticipation Note and of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and all land, improvements, facilities, plants, equipment, appliances, interests in property, and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith, all under and in strict conformity with the Constitution and laws of the State of Texas, including, particularly, Section 59 of Article XVI of the Constitution of Texas and the Water Code.

SECTION 3.02: FORM, INITIAL DATE, DELIVERY DATE, NUMBERS AND DENOMINATIONS. The Initial Bonds shall be issued and delivered in fully registered form, without interest coupons, and shall be dated as of the Initial Date. Each Initial Bond submitted for approval, registration and delivery in accordance with Section 3.07 hereof shall be numbered "IR-", followed by the last two digits of the year of the Maturity Date of such Initial Bond, and shall be completed with the Delivery Date. Each Bond registered and delivered subsequent to the Initial Bonds shall be dated as of the Initial Date and shall include thereon the Delivery Date. Each such Bond shall be numbered consecutively, in succession, beginning with the numeral "1", which shall be preceded by the prefix "R", and shall be in denominations of \$5,000, or any integral multiple thereof.

SECTION 3.03: INTEREST RATES AND MATURITY DATES. The Bonds shall include both Serial Bonds and Term Bonds, as provided below.

- (a) Bonds in the aggregate principal amount of \$440,000 shall be issued as Serial Bonds, shall bear interest from the later of the Delivery Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to prior redemption in accordance with the provisions of Article Four hereof, on September 1 in each of the years and in the principal amounts set forth in the schedule below:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$25,000	2026	6.500%
\$25,000	2027	6.500%

\$30,000	2028	6.500%
\$30,000	2029	6.500%
\$30,000	2030	6.500%
\$30,000	2031	6.500%
\$50,000	2040	4.000%
\$50,000	2041	4.000%
\$55,000	2042	4.000%
\$55,000	2043	4.000%
\$60,000	2044	4.000%

- (b) Bonds in the aggregate principal amount of \$730,000 shall be issued as Term Bonds, shall bear interest from the later of the Delivery Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to mandatory and optional redemption in accordance with the provisions of Article Four hereof, on September 1 in the year and in the principal amounts set forth in the schedule below:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$105,000	2034	5.000%
\$125,000	2037	5.000%
\$90,000	2039	4.000%
\$125,000	2046	4.000%
\$135,000	2048	4.000%
\$150,000	2050	4.000%

SECTION 3.04: DATES AND MANNER OF PAYMENT OF INTEREST.

Interest on the Bonds shall be payable semiannually on March 1 and September 1 of each year, commencing on March 1, 2025, until payment of the principal thereof has been made or duly provided for. The amount of interest on the Bonds payable on each Interest Payment Date, Maturity Date or Redemption Date shall be computed on the basis of a 360-day year of twelve 30-day months. Not later than ten (10) days before each Interest Payment Date, Maturity Date or Redemption Date, the Paying Agent shall compute the amount of interest to be due and payable on such date and shall send to the District notice of the amount so computed to be due and payable on such date.

The payments of interest on the Bonds shall be payable, at the option of the District, by check mailed by the Paying Agent to the Holder, at the address shown on the Register, or by such other customary banking arrangements as may be acceptable to the Paying Agent and the Holder, at the risk and expense of such Holder. The interest so payable on any Interest Payment Date will be paid to the Person in whose name each Bond (or one or more Predecessor Bonds evidencing the same obligation) is registered at the close of business on the Record Date for such Interest Payment Date. Each Bond delivered pursuant to the terms of this Order upon transfer or in exchange for or in lieu of any Predecessor Bond shall carry all the rights to interest, both

accrued and unpaid, and to accrue, which were carried by such Predecessor Bond, and each such Bond shall bear or accrue interest as specified herein so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 3.05: MEDIUM AND PLACE OF PAYMENT AT MATURITY OR REDEMPTION. The principal of the Bonds payable at any Maturity Date or Redemption Date, shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which on such dates of payment is legal tender for the payment of debts due the United States of America, upon the presentation and surrender of such Bonds, as they become due or at their earlier Redemption Date, at the designated office of the Paying Agent.

SECTION 3.06: EXECUTION. The Bonds shall be signed on behalf of the District by the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District, and the District's seal shall be placed or impressed thereon. Such signatures may be manually executed or placed in facsimile on the Bonds, and the District's seal may be manually impressed or printed or otherwise mechanically reproduced in facsimile on the Bonds. In case any official of the District who shall have signed any of the Bonds, either manually or by facsimile signature, shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Registrar, or disposed of by the District, such Bonds, nevertheless, may be authenticated and delivered or disposed of as though the Person who signed such Bonds had not ceased to be such officer of the District, and any Bond may be signed on behalf of the District by such Person as, at the actual time of execution of such Bond, shall be a proper officer of the District, although at the date of such Bond or of the adoption of this Order, such Person was not such officer. Minor typographical and other minor errors in the text of any Bond or minor defects in the seal or facsimile signature on any Bond shall not affect the validity or enforceability of such Bond, if same has been duly authenticated by the Registrar or registered by the Comptroller of Public Accounts of the State of Texas, as required herein.

SECTION 3.07: APPROVAL, REGISTRATION AND DELIVERY. The Initial Bonds shall consist of one Bond for each year of maturity specified in Section 3.03 hereof, representing the entire principal amount of the Bonds scheduled to mature in each of such years of maturity, and shall be made payable to the Initial Purchaser, or its designee. The President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District and representatives of the District's Bond Counsel are each hereby authorized and directed to submit the Initial Bonds and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of Texas for approval and, following said approval, to submit the Initial Bonds to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on each Initial Bond. After the Initial Bonds have been registered and signed by the Comptroller, they shall be delivered to the Registrar, completed with the Delivery Date and registered on the Register in the name of Cede & Co., as nominee of DTC, and thereafter shall be delivered to the Initial Purchaser or its designee, but only upon receipt of the full purchase price therefor.

At any time after delivery of the Initial Bonds, the Holder may, subject to the requirements of and in accordance with the procedures prescribed in Section 3.09 hereof, surrender any Bonds to the Registrar for transfer or exchange, accompanied by instructions specifying the name(s) and address(es) of the Person(s) to whom such Bonds are to be transferred and the principal amount(s) of the Bond(s) to be authenticated and delivered in exchange therefor, and the Registrar shall thereupon, within not more than three (3) Business Days, authenticate and register Bonds conforming to such instructions and the provisions of this Order.

No Initial Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Initial Bond a certificate of registration substantially in the form provided in Section 5.03 hereof, duly executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized deputy, by manual signature; nor shall any Bond authenticated and delivered subsequent to the Initial Bonds be so entitled or be valid or obligatory, unless there appears on such Bond a Certificate of Registrar substantially in the form provided in Section 5.02 hereof, duly executed by an authorized officer or employee of the Registrar, by manual signature. Such Certificate of Registrar upon any Bond authenticated and delivered subsequent to the Initial Bonds shall be conclusive evidence that such Bond has been so certified or registered and delivered.

SECTION 3.08: OWNERSHIP OF BONDS. The District, the Paying Agent, 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 thereof and interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the District, the Paying Agent, 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 3.08 shall be valid and effective for all purposes and shall discharge the liability of the District, the Paying Agent and the Registrar to the extent of the sums paid.

SECTION 3.09: REGISTRATION, TRANSFER AND EXCHANGE. So long as any Bonds remain outstanding, the Registrar shall keep and maintain at its designated office a Register in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration, transfer and exchange of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the office designated by the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative. Within three (3) Business Days following due presentation for registration of the transfer of any Bond, the District shall cause to be executed and the Registrar shall authenticate in the name of the transferee or transferees one or more exchange Bonds in a like aggregate principal amount and a like interest rate and shall deliver or mail same to the transferee or transferees by United States mail, first class, postage prepaid.

All Serial Bonds shall be exchangeable upon the presentation and surrender thereof at the office designated by the Registrar for a Serial Bond or Serial Bonds having the same maturity and interest rate, in any authorized denomination, and in an aggregate principal amount equal to the unpaid principal amount of the Serial Bond or Serial Bonds presented for exchange. Within three (3) Business Days following due presentation for exchange of any Serial Bond, the District shall cause to be executed and the Registrar shall authenticate, register and deliver or send to the Holder, by United States mail, first class, postage prepaid, exchange Serial Bonds in accordance with the provisions of this Section 3.09. Except as provided in Section 3.12 hereof, a Term Bond is not exchangeable so long as it is registered in the name of Cede & Co., as nominee of DTC.

Each Bond transferred or exchanged and duly authenticated and delivered in accordance with this Section 3.09 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 exchange Bond is delivered. No service charge shall be made for any transfer or exchange referred to above, but the District or the Registrar may require the Holder of any Bond to pay a sum sufficient to pay any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond.

The Registrar shall not be required to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of, notice of redemption of Bonds prior to maturity, nor shall the Registrar be required to transfer or exchange any Bond selected for redemption in whole or in part when such Redemption Date is scheduled to occur within thirty (30) calendar days.

SECTION 3.10: REPLACEMENT BONDS. Upon the presentation and surrender to the Registrar of a mutilated Bond, the District shall cause to be executed, and the Registrar shall authenticate, register and deliver in exchange therefor, a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding. In the event that 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 actual notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall cause to be executed, and the Registrar shall authenticate, register and deliver, a replacement Bond of like tenor, interest, and principal amount bearing a number not contemporaneously outstanding, provided that the Holder thereof shall have:

- (a) furnished to the Registrar and the District satisfactory evidence of the ownership and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnished such security or indemnity as may be required by the Registrar, the District and the Paying Agent to save the District, the Registrar and the Paying Agent harmless;

- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees and expenses of the Registrar, the District and Paying Agent and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the District, the Registrar and the Paying Agent.

If, after the delivery of such 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, the Registrar and the Paying Agent shall be entitled to recover upon 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, the Registrar and the Paying Agent in connection therewith.

In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent, with the concurrence of the Registrar, in their discretion, may pay such Bond, in lieu of issuance of a replacement Bond.

Each replacement Bond delivered in accordance with this Section 3.10 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.

SECTION 3.11: BOOK-ENTRY ONLY SYSTEM. Notwithstanding the foregoing, the Initial Bonds and all subsequent Bonds shall be registered in the name of Cede & Co., as nominee of DTC, except as provided in Section 3.12 hereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District, the Paying Agent 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. In particular, and not by way of limiting the foregoing, the District, the Paying Agent and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than a Holder, as shown in the Register, any amount with respect to the principal of or the premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District, the Paying Agent and the Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered on the Register as the absolute owner of such Bond for the purpose of payment of the principal of and the premium, if any, and interest on such Bond; for the purpose of giving notices of redemption and other matters with respect to such Bond; for the purpose of registering transfers with respect to such Bond; and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Holders, as shown on the Register and 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 the payment of the principal of and the premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in Section 3.12 hereof, no Person, other than a Holder, as shown on the Register, shall be issued an exchange Bond pursuant to this Order. Upon delivery by DTC to the Paying Agent and 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 of this Order with respect to interest payments to the Holders as of the close of business on a Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and the premium, if any, and interest on such Bond, and all notices with respect to such Bond, shall be made and given, respectively, in the manner provided in the Letter of Representation. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds, or portions thereof, to be redeemed in whole or in part from within each such maturity shall be selected by DTC from the Bonds, or portions thereof, which have not previously been called for redemption in accordance with the procedures of DTC notwithstanding any other provision of this Order to the contrary.

SECTION 3.12: SUCCESSOR SECURITIES DEPOSITORY; TRANSFER OUTSIDE BOOK-ENTRY ONLY SYSTEM. In the event that the District, in its sole discretion, determines that the beneficial owners of the Bonds should be able to obtain exchange Bonds, the District shall notify DTC and the DTC Participants, as identified by DTC, of the availability through the Registrar of exchange Bonds and cause the registration and transfer of one or more exchange Bonds to the DTC Participants having Bonds credited to their DTC accounts, as identified by DTC, but only upon presentation of surrender of the Bonds to be exchanged, upon receipt of proper proof of the ownership interests of the DTC Participants, and integral multiples of \$5,000 in principal amount; provided, however, that in such event, each Term Bond shall be exchangeable only for one or more Serial Bonds bearing the same rate of interest and corresponding in aggregate principal amounts and Maturity Dates to the unpaid mandatory redemption amounts and Redemption Dates applicable to such Term Bond pursuant to Section 4.01 hereof, with the particular Maturity Date applicable to any such exchange Serial Bond to be determined by the Registrar by lot or other customary method. In the event DTC discontinues the services described herein, the District shall 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 and the DTC Participants, as identified by DTC, of the appointment of such successor securities depository; and cause the registration and transfer of one or more exchange Bonds to such successor securities depository. In either such event, the Bonds shall no longer be restricted to being registered on 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 Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

SECTION 3.13: **CANCELLATION.** All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are executed, authenticated, registered and delivered in accordance with Section 3.09 or Section 3.10 of this Order, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement and shall be treated in accordance with the document retention policies of the Paying Agent and the records retention schedules of the District. The Paying Agent and Registrar shall periodically furnish the District with certificates of cancellation of such Bonds, upon written request therefor.

(End of Article Three)

ARTICLE FOUR

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 4.01: A. MANDATORY REDEMPTION OF TERM BONDS.

Term Bonds with Maturity Dates of September 1, 2034, 2037, 2039, 2046, 2048 and 2050, shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the Redemption Date, on September 1 in each of the years and in the principal amounts set forth in the following schedule, with the particular portions of such Term Bonds to be redeemed to be selected by the Registrar or DTC, as applicable, from the portions of the Term Bonds which have not previously been redeemed by the District, by lot or other customary method:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$35,000
2033	\$35,000
2034 (Maturity)	\$35,000
2035	\$40,000
2036	\$40,000
2037 (Maturity)	\$45,000
2038	\$45,000
2039 (Maturity)	\$45,000
2045	\$60,000
2046 (Maturity)	\$65,000
2047	\$65,000
2048 (Maturity)	\$70,000
2049	\$75,000
2050 (Maturity)	\$75,000

Notwithstanding the foregoing, to the extent that Term Bonds of a particular maturity have been previously redeemed in part through the exercise of the District's reserved right of optional redemption, as provided below, each of the aforesaid scheduled mandatory redemption payments for the Term Bonds of such maturity shall be reduced in each such instance of prior redemption, as specified in the District's notice to the Paying Agent as provided below.

B. OPTIONAL REDEMPTION OF BONDS. The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2031, prior to their scheduled maturities, in whole or, from time to time, in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed plus accrued interest on said principal amount thereof called for redemption to the Redemption Date. The District shall, at least forty-five (45) calendar days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Registrar and Paying Agent), notify the Registrar and Paying Agent of such Redemption Date and of the principal amount of the Bonds of each maturity to be

redeemed. If less than all of the Serial Bonds of the same maturity are to be redeemed, the particular Serial Bonds to be redeemed in whole or in part from within each such maturity shall be selected by the Registrar or DTC, as applicable, from the Serial Bonds which have not previously been called for redemption, by lot or other customary method; provided, however, that in the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. The Registrar shall promptly notify the District and the Paying Agent, if different than the Registrar, in writing, of the Serial Bonds selected for redemption and, in the case of any Serial Bond selected for partial redemption, of the principal amount thereof to be redeemed. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District shall notify the Paying Agent at least forty-five (45) calendar days prior to the Redemption Date of the reductions in the remaining mandatory redemption amounts to result from such optional redemption.

For purposes of this Order, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal amount of such Bond which has been or is to be redeemed. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 3.09 of this Order, shall authenticate, register and deliver an exchange Bond or Bonds of like interest rate and in aggregate principal amount equal to the unredeemed portion of the Bond so surrendered; provided, however, that the foregoing shall not apply to Bonds registered as set forth in Section 3.11 of this Order.

SECTION 4.02: NOTICE OF REDEMPTION. Notice of the selection of any Bonds for redemption pursuant to Section 4.01 above is hereby directed to be given by the Registrar, without any further instruction or notice from the District, at least thirty (30) calendar days prior to the Redemption Date. Notice shall be given by first class United States mail, postage prepaid, to the Holder of each Bond to be redeemed in whole or in part at the address shown on the Register on the date which is forty-five (45) calendar days prior to the Redemption Date. Such notice shall state the Redemption Date, the redemption price, the principal amounts of the Bonds to be redeemed and, if less than all of the then outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemptions within a maturity, the respective principal amounts) of the Bonds to be redeemed, the amount of accrued interest payable on the Redemption Date and the place at which the Bonds are to be surrendered for payment. Any notice mailed as provided in this Section 4.02 shall be conclusively presumed to have been duly given, whether or not the Holder actually receives such notice. Except as otherwise provided in Section 11.03 of this Order, no other notice of the reserved right of redemption shall be given unless otherwise required by law.

By the Redemption Date, due provision shall be made with the Paying Agent for the payment of the principal of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date. When Bonds have been called for redemption, in whole or in part, as provided above, and due provision has been made to redeem same, such Bonds or portions thereof, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the right of the Holders to collect interest which

would otherwise accrue after the Redemption Date upon the principal of such Bonds or the portions thereof so called for redemption shall be terminated.

(End of Article Four)

ARTICLE FIVE

FORM OF BONDS AND INSURANCE

SECTION 5.01: FORM OF BONDS. The Bonds authorized by this Order, including the registration certificate of the Comptroller of Public Accounts of the State of Texas or Registrar, as applicable, and form of assignment shall be in substantially the forms specified in Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for all purposes, with such omissions, insertions and variations as may be necessary or desirable and consistent with the terms of this Order.

SECTION 5.02: CERTIFICATE OF REGISTRAR. The form of Certificate of Registrar specified in Exhibit "B" attached hereto shall be printed on or attached to each of the Bonds authenticated, registered and delivered subsequent to the Initial Bonds.

SECTION 5.03: REGISTRATION OF BONDS BY STATE COMPTROLLER AND CERTIFICATE. The Initial Bonds shall be registered by the Comptroller of Public Accounts of the State of Texas, as provided by law. In lieu of the Certificate of Registrar specified in Section 5.02 hereof, the registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed or typed on or attached to each of the Initial Bonds and shall be in substantially the form specified in Exhibit "A" attached hereto.

SECTION 5.04: FORM OF ASSIGNMENT. The form of Assignment specified in Exhibit "A" and Exhibit "B" attached hereto shall be printed at the back of or attached to each of the Bonds.

SECTION 5.05: CUSIP REGISTRATION. The officers and representatives of the District may secure the printing of identification numbers on the Bonds through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association.

SECTION 5.06: LEGAL OPINION. The approving opinion of the District's Bond Counsel may be printed on the Bonds over the certification of the Secretary or Assistant Secretary of the Board of Directors, which may be executed in facsimile or, with respect to Bonds registered in the name of Cede & Co., as nominee of DTC, in accordance with Section 3.11 of this Order, an original of said opinion may be delivered to the Initial Purchaser.

SECTION 5.07: BOOK-ENTRY ONLY BONDS. Notwithstanding anything in this Article Five to the contrary, exchange bonds in the form specified in Exhibit "B" attached hereto shall not be issued except as set forth in Section 3.12 of this Order.

SECTION 5.08: BOND INSURANCE PROCEEDINGS. The officers and representatives of the District are hereby authorized and directed (i) to make application for and to execute, attest and deliver any and all certificates, agreements or other instruments necessary

to secure a municipal bond insurance policy with respect to the Bonds, and (ii) to provide for the printing of a statement or legend relating to such insurance on the Bonds, all as may be deemed necessary by said officers and representatives.

(End of Article Five)

ARTICLE SIX

SECURITY FOR THE BONDS

SECTION 6.01: SECURITY FOR THE BONDS. The Bonds are secured by and payable from the proceeds of an annual ad valorem tax, levied without legal limitation as to rate or amount, upon all taxable property within the District, and such taxes, as collected and received, are hereby pledged to the payment of the principal of and the interest, payment expenses and redemption price on the Bonds and the Outstanding Bonds.

SECTION 6.02: LEVY OF TAX. To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes and making payments in respect of the Bonds, there is hereby levied, and there shall be assessed and collected in due time, an annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except costs incurred in connection therewith, shall be paid into the Bond Fund and the aforementioned tax and such payments into the Bond Fund shall continue until the Bonds and the interest thereon, together with all expenses incurred in making payments in respect of the Bonds and all amounts due to the United States of America pursuant to Section 8.01(g) hereof, have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. While said Bonds, or any of them, are outstanding and unpaid, an ad valorem tax, each year at a rate from year to year as will be ample and sufficient to provide funds to pay the current interest on said Bonds and to provide the necessary sinking fund to pay the principal and accrued interest on the Bonds when due, with full allowance being made for delinquencies and costs of collection, shall be levied, assessed and collected, as follows:

- (a) After receipt of the certified roll of taxable property in each year, and at such time as required by then applicable law, the Board of Directors shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and shall levy such tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board of Directors shall consider, among other matters:
 - (1) the amount which should be levied for the payment of the principal of or the interest, payment expenses and redemption price on each series of bonds or notes of the District payable in whole or in part from taxes, including, but not limited to, the Bonds, the Outstanding Bonds and any Additional Bonds; and
 - (2) the percentage of anticipated tax collections and the costs of assessing and collecting such taxes.

- (c) In determining the amount of taxes which should be levied each year, the Board of Directors may also consider whether proceeds from the sale of bonds of the District have been capitalized or placed in escrow to pay interest during construction and whether the Board of Directors reasonably expects to have investment earnings from the Bond Fund or excess arbitrage profits payable to the United States of America, or revenues or receipts available from other sources which are legally available to pay the principal of or the interest, payment expenses or redemption price on the Bonds, the Outstanding Bonds or any Additional Bonds or notes payable in whole or in part from taxes.

In addition to the tax levied pursuant to this Section 6.02, the District may also levy from time to time taxes for maintenance and operation purposes, for contract obligations payable from taxes, and for any other purpose or purposes authorized by law.

SECTION 6.03: PERFECTION OF PLEDGE. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of taxes by the District under Section 6.01 of this Order, and such pledge is, therefore, valid, effective and perfected. If, at any time while all or any portion of the Bonds are outstanding and unpaid, Texas law is amended in a manner that such pledge is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Holders the perfection of the security interest in and to such pledge, the District covenants and agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and to enable a filing to perfect the security interest in such pledge to occur.

(End of Article Six)

ARTICLE SEVEN

APPLICATION OF BOND PROCEEDS; FLOW OF FUNDS AND INVESTMENTS

SECTION 7.01: **BOND PROCEEDS.** Proceeds from the sale of the Bonds will be disbursed in accordance with this Article Seven.

SECTION 7.02: **CREATION OF FUNDS AND ACCOUNTS.** Notwithstanding any part or provision hereof to the contrary, the creation of the District's Bond Fund and Construction Fund (including the Bond Fund Road Bond Account and Road Construction Fund Account) pursuant to the provisions of the Prior Bond Order are hereby confirmed. Each fund shall be kept separate and apart from all other funds of the District. The Bond Fund, to the extent permitted by law, shall constitute a trust fund for the benefit of the Holders of the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes, and shall be applied only to pay interest and principal on the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes and the fees and expenses of any Paying Agent or Registrar in respect of same, and to defray the expenses, if any, of assessing and collecting taxes levied for payment of the interest on and principal of the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes, to pay any tax anticipation notes issued together with interest thereon, as such tax anticipation notes shall become due, and to pay to the United States of America any excess arbitrage profits in respect of the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes which may hereafter come due.

SECTION 7.03: **SECURITY OF ACCOUNTS.** Any cash balance in any fund of the District, to the extent not insured by the Bank Insurance Fund managed and maintained by the Federal Deposit Insurance Corporation, or a successor insurance fund, shall be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of districts such as the District, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the uninsured cash balance in the fund to which such securities are pledged or such higher amount as required by the District's policies for investment of funds of the District.

SECTION 7.04: **DEPOSITS TO AND WITHDRAWALS FROM BOND FUND.** The District shall deposit or cause to be deposited into the Bond Fund the aggregate of the following at the times specified:

- (a) As soon as practicable after the Initial Bonds are sold and delivered, out of the proceeds of the sale of the Bonds, a sum equal to the lesser of \$114,075 or the initial eighteen (18) months of interest on the Bonds; and
- (b) As collected, the proceeds from collection of the ad valorem tax levied pursuant to Section 6.02 hereof, less the costs of collection thereof.

Not later than five (5) calendar days prior to any Maturity Date, Redemption Date and/or Interest Payment Date on the Bonds, the Board of Directors shall cause moneys to be deposited into the Bond Fund in an amount not less than that which is sufficient to pay the principal of the Bonds which matures and becomes payable on such date, the interest which accrues and becomes payable on such date, and the fees and expenses of the Paying Agent and the Registrar for handling and making such payments on the Bonds on such date, and not later than two (2) Business Days prior to such payment dates shall cause such amounts to be wire transferred to the Paying Agent.

SECTION 7.05: CONSTRUCTION FUND. The District shall deposit or cause to be deposited into the Construction Fund the Net Proceeds of the Bonds, less any portion of the Net Proceeds that has been utilized by the Paying Agent, pursuant to written instructions of the District, for redemption of the District's Series 2023 Bond Anticipation Note or expenses incident to the issuance of the Bonds. Moneys on deposit in the Construction Fund shall be used solely for the payment of the expenses incident to the issuance of the Bonds, including financial advisory, legal and engineering fees and expenses, and administration, organization and printing expenses of the District, the principal of, accrued interest on and costs of issuance of the District's Series 2023 Bond Anticipation Note, and the costs of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending the System. All moneys on deposit in the Construction Fund exclusive of any moneys on deposit in the Road Construction Fund Account as of the date hereof, and all interest and investment earnings on such moneys now or hereafter deposited into such fund, are to be maintained by the District in such fund to be used for the renewal, replacement, modification, refurbishment and extension of the System constructed to serve the District in accordance with the purposes for which the Bonds and the District's Series 2023 Bond Anticipation Note were sold as set forth in the orders authorizing issuance of same and/or for any other lawful purpose for which the Bonds were authorized, and, if required, with the consent of any regulatory authority having jurisdiction. All moneys on deposit in the Road Construction Fund Account as of the date hereof, and all interest and investment earnings on such moneys, now or hereafter deposited into such fund, are to be maintained by the District in such fund to be used for the purposes for which the Series 2023 Road Bonds were sold as set forth in the order authorizing issuance of same and/or for any other lawful purpose for which the Series 2023 Road Bonds were authorized, and, if required, the consent of any regulatory authority having jurisdiction.

SECTION 7.06: SURPLUS CONSTRUCTION FUNDS. After completion of the facilities for which the Bonds are issued and the payment of all lawful obligations associated therewith, at the option of the Board, and, if required, with the consent of any regulatory authority having jurisdiction, the proceeds of the Bonds remaining in the Construction Fund (except those in the Road Construction Fund Account), together with investment earnings thereon, may be used to provide additional facilities which will become part of the System and/or for any other lawful purpose for which the Bonds were authorized, if such use, in the opinion of Bond Counsel, does not adversely affect the status of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any moneys remaining in the Construction Fund (except those in the Road Construction Fund Account) after completion of the entire System shall be deposited into the Bond Fund. After completion of the facilities for which the Series

2023 Road Bonds were issued and the payment of all lawful obligations associated therewith, at the option of the Board, and, if required, with the consent of any regulatory authority having jurisdiction, the funds remaining in the Road Construction Fund Account, together with investment earnings thereon, may be used to pay the costs of constructing additional road facilities and/or for any other lawful purpose for which the Series 2023 Road Bonds were authorized, if such use, in the opinion of Bond Counsel, does not adversely affect the status of the exclusion of interest on the Series 2023 Road Bonds from gross income for federal income tax purposes. Any moneys remaining in the Road Construction Fund Account after completion of all road facilities eligible to be financed by the District shall be deposited into the Bond Fund Road Bond Account.

SECTION 7.07: INVESTMENTS; EARNINGS. Moneys deposited into the Bond Fund, the Construction Fund, and any other fund or funds which the District may lawfully create may be invested or reinvested from time to time, but only in Authorized Investments. Except to the extent otherwise required to maintain compliance with the covenants set forth in Section 8.01 hereof, all investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investment were taken; provided, however that in the discretion of the Board of Directors, and, if required, with the consent of any regulatory authority having jurisdiction, the profits realized from and interest accruing on investments made from any fund may be transferred to the appropriate account within the Bond Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested moneys on hand to meet the obligations payable out of such fund. After such sale, the moneys resulting therefrom shall belong to the fund from which such investments were initially taken. The District shall not be responsible to the Holders for any loss arising out of the sale of any investments.

(End of Article Seven)

ARTICLE EIGHT

TAX EXEMPTION

SECTION 8.01: TAX EXEMPTION. For purposes of this Section 8.01, the term "Net Proceeds" means the proceeds derived from the sale of the Bonds, plus interest earnings thereon, less any amounts deposited in a reasonably required reserve or replacement fund; the term "Person" includes any individual, corporation, partnership, unincorporated association or any other entity capable of carrying on a trade or business; and the term "trade or business" means, with respect to any natural person, any activity regularly carried on for profit and, with respect to Persons other than natural persons, means any activity other than an activity carried on by a governmental unit.

The District covenants that it shall make such use of the Net Proceeds of the Bonds, regulate investments thereof and take such other and further actions as may be required by Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Code"), and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code (the "Regulations"), necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the District hereby covenants as follows:

(a) The District has not permitted and will not permit more than ten percent (10%) of the Net Proceeds of the Bonds to be used in the trade or business of any Person (other than use as a member of the general public) other than a governmental unit ("private-use proceeds").

(b) The District has not permitted and will not permit more than five percent (5%) of the Net Proceeds of the Bonds to be used in the trade or business of any Person, other than a governmental unit, if such use is unrelated to the governmental purpose of the Bonds; and further, the amount of private-use proceeds of the Bonds in excess of five percent (5%) of the Net Proceeds of the Bonds ("excess private-use proceeds") will not exceed the proceeds of the Bonds expended for the governmental purpose of the Bonds to which such excess private-use proceeds relate.

(c) The principal of and interest on the Bonds will be paid from ad valorem tax collections, together with investment profits and interest earnings thereon.

(d) The District has not permitted and will not permit an amount exceeding the lesser of (i) \$5,000,000 or (ii) five percent (5%) of the Net Proceeds of the Bonds to be used directly or indirectly to finance loans to Persons other than governmental units.

(e) The District will not use the proceeds of the Bonds in a manner that would cause the Bonds or any portion thereof to be an "arbitrage bond" within the meaning of

Section 148 of the Code or otherwise in any manner which would cause the Bonds to violate the provisions of Section 149(d) of the Code. The District will monitor the yield on the investment of the proceeds of the Bonds and moneys pledged to the payment of the Bonds, other than amounts not subject to yield restriction because of their deposit in a reasonably required reserve or replacement fund or a bona fide debt service fund, and will restrict the yield on such investments to the extent required by the Code or the Regulations. Without limiting the generality of the foregoing, the District will take appropriate steps to restrict the yield on (i) all Net Proceeds of the Bonds on hand on a date that is three (3) years from the date of delivery of the Bonds and on all amounts within the Bond Fund not disbursed within thirteen (13) months of the date of deposit therein (using a last-in, first out accounting conversion) and (ii) all investment earnings on hand on a date that is three (3) years from the date of delivery of the Bonds or one (1) year from the date such investment proceeds are received, whichever is later, to a yield which is not materially higher than the yield on the Bonds (in both cases calculated in accordance with the Code and the Regulations).

(f) The District will not cause the Bonds to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as same may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code).

(g) To the extent, if applicable, required by the Code or Regulations, the District will take all necessary steps to comply with the requirement that "excess arbitrage profits" earned on the investment of the gross proceeds of the Bonds, if any, be rebated to the United States of America, and specifically, the District will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate such "excess arbitrage profits" separately from records of amounts on deposit in the funds and accounts of the District which are allocable to other bond issues of the District or moneys which do not represent gross proceeds of any bonds of the District, (ii) calculate, not less often than required by applicable federal law and the Regulations, the amount of "excess arbitrage profits", if any, earned from the investment of the gross proceeds of the Bonds and (iii) pay, not less often than required by applicable federal law and the Regulations, all amounts required to be rebated to the United States of America; and the District will not indirectly pay any amount otherwise payable to the United States of America pursuant to the foregoing requirements to any Person other than the United States of America by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(h) The District will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code.

(i) This Order is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

For purposes of the foregoing (a), (b) and (e), the District understands that the term "Net Proceeds" includes "disposition proceeds" as defined in the Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President or Vice President of the Board to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. Furthermore, all officers, employees and agents of the District are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the District as of the date the Initial Bonds are delivered and paid for, and any such certifications may be relied upon by Bond Counsel, by the Holders of the Bonds, and by any Person interested in the exclusion of interest on the Bonds from gross income for federal income tax purposes. Moreover, the District covenants that it shall make such use of the proceeds of the Bonds, regulate investments of proceeds thereof, and take such other and further actions as may be required to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.02: BONDS NOT QUALIFIED TAX-EXEMPT OBLIGATIONS.

The District has not designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. For purposes of this Section 8.02, the term "tax-exempt obligation" does not include "specified private activity bonds" within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. In addition, for purposes of this Section 8.02, the District includes all governmental units of which the District is a "subordinate entity" and governmental units which are "subordinate entities" of the District, within the meaning of Section 265(b)(3)(E) of the Code.

SECTION 8.03: ALLOCATION OF, AND LIMITATION ON, EXPENDITURES.

The District covenants to account for the expenditure of the proceeds of the sale of the Bonds and investment earnings to be used for the purposes for which the Bonds are issued on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that

(1) the expenditure is made, or (2) the facilities to be constructed and/or purchased with the proceeds of the Bonds are completed. The foregoing notwithstanding, the District shall make such allocation in any event by the date 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. For purposes of determining compliance with this covenant the District and its officers, agents and representatives may rely upon an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions or omissions of the District will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.04: DISPOSITION OF FACILITIES. The District covenants that the property constituting the facilities to be constructed and/or purchased with the proceeds of the Bonds will not be sold or otherwise disposed of in a transaction resulting in the receipt by the District of cash or other compensation unless the District obtains an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions of the District will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. For purposes of the foregoing, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

(End of Article Eight)

ARTICLE NINE

ADDITIONAL BONDS AND REFUNDING BONDS

SECTION 9.01: ADDITIONAL BONDS. The District expressly reserves the right to issue, in one or more installments, Additional Bonds for authorized purposes, including, without limitation:

- (a) the remaining unissued bonds which were authorized at the election described in Sections 1.05 (c), (d) and (e) of this Order; and
- (b) such other bonds as the District may hereafter be authorized to issue from time to time.

SECTION 9.02: REFUNDING BONDS. The District further reserves the right to issue refunding bonds including, without limitation, the refunding bonds which were authorized at the election described in Section 1.05 (f) of this Order, in any manner permitted by law to refund the Bonds, the Outstanding Bonds, and any Additional Bonds, at or prior to their respective Maturity Dates or on any Redemption Dates.

(End of Article Nine)

ARTICLE TEN

DEFAULT PROVISIONS

SECTION 10.01: REMEDIES IN EVENT OF DEFAULT. In addition to any other rights and remedies provided by the laws of the State of Texas, the District covenants and agrees that in the event of default in the payment of the principal of or interest on any of the Bonds when due, or, in the event the District fails to make the payments required to be made into the Bond Fund, or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Order, the Holders shall be entitled to seek a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Order. Any delay or omission in the exercise of any right or power accruing upon any default shall not impair any such right or power or be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.02: ORDER IS CONTRACT. In consideration of the purchase and acceptance of the Bonds by the Holders, the provisions of this Order shall be deemed to be and shall constitute a contract between the District and such Holders, and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of each of such Holders. Each of the Bonds, regardless of the time or times of their issue, authentication, registration, delivery or maturity, shall be of equal rank, without preference, priority or distinction of any Bond over any other, except as expressly provided herein.

(End of Article Ten)

ARTICLE ELEVEN

CONTINUING DISCLOSURE

SECTION 11.01: DEFINITIONS. As used in this Article, the following terms have the meanings ascribed to them below:

The term "MSRB" means the Municipal Securities Rulemaking Board.

The term "obligated person" has the meaning assigned to such term in the Rule.

The term "Offering" has the meaning assigned to such term in the Rule.

The term "Rule" means SEC Rule 15c2-12 and any regulations promulgated thereunder, all as amended from time to time.

The term "SEC" means the United States Securities and Exchange Commission.

SECTION 11.02: ANNUAL REPORTS. The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District does not have more than \$10,000,000 in aggregate amount of outstanding bonds, including the Bonds, and no Person is committed by contract or other arrangement with respect to payment of all, or part of, the Bonds. As required by the exemption, the District shall provide within six (6) months after the end of each Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, financial information and operating data which is customarily prepared by the District and is publicly available (being the information and data described in Exhibit "C" attached hereto).

If the District changes its Fiscal Year, the District will notify the MSRB of the change (and of 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 11.02. The District shall notify the MSRB, in a timely manner, of any failure of the District to provide financial information or operating data in accordance with this Section 11.02 by the time required herein. All documents provided to the MSRB pursuant to this Section 11.02 shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11.03: EVENT NOTICES. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;

- (b) Non-payment related defaults, if material within the meaning of the federal securities laws;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (g) Modifications to the rights of the Holders of the Bonds, if material within the meaning of the federal securities laws;
- (h) Calls for redemption of the Bonds, if material within the meaning of the federal securities laws, and tender offers;
- (i) Defeasances of the Bonds;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the District;
- (m) 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 within the meaning of the federal securities laws;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws;
- (o) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

As used in clauses (o) and (p) above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii) however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time. The Board of Directors intends the words used in clauses (o) and (p) above and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

SECTION 11.04: LIMITATIONS, DISCLAIMERS AND AMENDMENTS.

(a) The District shall be obligated to observe and perform the covenants specified in this Article 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 call for redemption of the Bonds or defeasance of the Bonds, in whole or in substantial part, made in accordance with this Order or applicable law that causes such Bonds to no longer be outstanding.

(b) The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing herein, expressed or implied, shall be deemed to confer any benefit or any legal or equitable right, remedy or claim hereunder upon 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 Article 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, conditions or prospects of the District, nor does the District undertake to update any information provided in accordance with this Article 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 to sell Bonds at any future date.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNERS OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR IN 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 ARTICLE, BUT EVERY RIGHT AND REMEDY, IN CONTRACT OR IN TORT, FOR OR ON ACCOUNT OF ANY

SUCH BREACH, SHALL BE LIMITED TO AN ACTION BY THE HOLDER FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(d) No default by the District in observing or performing its obligations under this Article shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

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

(f) Should the Rule be amended to obligate the District to make filings with or provide notices to entities other than the MSRB, the District hereby agrees to undertake such obligations with respect to the Bonds in accordance with the Rule as amended.

(g) Except as provided hereinafter, the provisions of this Article may be amended by the District from time to time, in its discretion, to adapt to changed circumstances that arise from a change in law, the identity, nature, status or type of operations of the District, or other circumstances, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell the Bonds in a primary offering of the Bonds 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 (ii) either (A) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment, or (B) a Person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If this Article is so amended, the District shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. Notwithstanding the foregoing, the District may also repeal or amend the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or if any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but, in either case, only if and to the extent that any such amendment or repeal by the District would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

(End of Article Eleven)

ARTICLE TWELVE

MISCELLANEOUS PROVISIONS

SECTION 12.01: PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. The District covenants to pay promptly the principal of and the interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Order, and to keep and perform faithfully all of its covenants, undertakings and agreements contained in this Order, the Initial Bonds or in any Bond executed, authenticated, registered and delivered hereunder.

SECTION 12.02: DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Order the District is named and referred to, such naming or reference shall be deemed to include the District's successors and assigns, and all covenants and agreements in this Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of the District's successors and assigns, whether or not so expressed.

SECTION 12.03: NO RECOURSE AGAINST DISTRICT OFFICERS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any officer of the District or any Person executing the Bonds.

SECTION 12.04: PAYING AGENT MAY OWN BONDS. The Paying Agent, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Paying Agent.

SECTION 12.05: REGISTRAR. The initial Registrar in respect of the Bonds shall be The Bank of New York Mellon Trust Company, N.A., with its principal corporate trust office and its principal payment office in Dallas, Texas. The District will maintain at least one Registrar in the State of Texas, where the Bonds may be surrendered for registration of transfer and/or for exchange or replacement for other Bonds, and for the purpose of maintaining the Register on behalf of the District. The Registrar shall at all times be a duly qualified and competent trust or banking corporation or association organized and doing business under the laws of the United States of America, or of any State thereof, with a combined capital and surplus of at least \$25,000,000, which is subject to supervision of or examination by federal or State banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission. The District, by order, resolution or other appropriate action, reserves the right and authority to change any Registrar or to appoint additional Registrars, and upon any such change or appointment, the District covenants and agrees to promptly cause written notice thereof, specifying the name and address of such changed or additional Registrar, to be sent to each Holder of the Bonds by United States mail, first class, postage prepaid.

SECTION 12.06: PAYING AGENT. The initial Paying Agent in respect of the Bonds shall be The Bank of New York Mellon Trust Company, N.A., with its principal corporate

trust office and its principal payment office in Dallas, Texas. To the extent practicable, the District will maintain in the State of Texas, at least one (1) duly qualified and competent trust or banking corporation or association organized and doing business under the laws of the United States of America, or of any State thereof, where the Bonds may be presented or surrendered for payment of principal. The District, by order, resolution or other appropriate action, reserves the right and authority to change any Paying Agent or to appoint additional Paying Agents, and upon any such change or appointment, the District covenants and agrees to promptly cause written notice thereof, specifying the name and address of such changed or additional Paying Agent, to be sent to each Holder of the Bonds by United States mail, first class, postage prepaid.

SECTION 12.07: DISCHARGE BY DEPOSIT. The District may discharge its obligation to the Holders to pay the principal of and the interest on the Bonds and may defease the Bonds in accordance with the provisions of then applicable law, including, without limitation, V.T.C.A. Government Code §1207.001 *et seq.*, as amended.

SECTION 12.08: LEGAL HOLIDAYS. In any case when any Interest Payment Date, Maturity Date or Redemption Date for any Bond is not a Business Day, then payment by the Paying Agent of such principal, interest or redemption price need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the scheduled Interest Payment Date, Maturity Date or Redemption Date, and no further interest shall accrue beyond such scheduled date.

SECTION 12.09: ESCHEAT LAWS. Notwithstanding any part or provision of the Bonds or this Order to the contrary, the powers, rights, duties, functions and responsibilities of the District, the Paying Agent, the Registrar, the Initial Purchaser, and the Holders shall at all times conform and be subject to the requirements, limitations, procedures and provisions of Title 6, Texas Property Code, as now and hereafter amended, and in case of any conflict or inconsistency therewith now existing or hereafter created, the provisions of such laws shall prevail and control, and the provisions of this Order and the Bonds shall be deemed to be supplemented or amended to conform thereto.

SECTION 12.10: BENEFITS OF ORDER. Nothing in this Order or in the Bonds, expressed or implied, shall give or be construed to give any Person, other than the District; the Paying Agent; the Registrar; if applicable, the municipal bond insurance company; and the Holders, any legal or equitable right or claim under or in respect of this Order, or under any covenant, condition or provision herein contained, and all the covenants, conditions and provisions contained in this Order or in the Bonds shall be for the sole benefit of the District, the Paying Agent; the Registrar; if applicable, the municipal bond insurance company; and the Holders.

SECTION 12.11: SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section or other part of this Order, or the application thereof to any Person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Order and the application of such word, phrase, clause,

sentence, paragraph, section or other part of this Order to any other Persons or circumstances shall not be affected thereby.

SECTION 12.12: ACCOUNTING. The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Holder on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts performed by a certified public accountant or firm of certified public accountants, based on its Fiscal Year, and copies of such audits will be made available to any Holder upon request and upon payment by such Holder of the reasonable costs to the District of providing same.

SECTION 12.13: NOTICE. Except as otherwise expressly provided herein, 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 deposited in the United States mail, first class postage prepaid, and addressed to the Person to be notified and, with respect to notice to any Holder shall be addressed to the latest address shown on the Register.

SECTION 12.14: FURTHER PROCEEDINGS. The President, Vice President, Secretary and any Assistant Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order, including, without limitation, the execution of this Order and other documentation required in connection herewith and with the issuance of the Bonds. Further, the District's Bond Counsel and financial advisor shall be authorized to prepare written instructions to the Paying Agent, on behalf of the District, for the disbursement and/or deposit of Net Proceeds to redeem the District's Series 2023 Bond Anticipation Note and to pay expenses incident to the issuance of the Bonds.

SECTION 12.15: AMENDMENT OF ORDER. The District may, without the consent of or notice to any Holder of the Bonds, amend, change or modify this Order as may be required (a) by the provisions hereof (including, without limitation, Article Eleven hereof); (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Holders of the Bonds. Except for such amendments, changes or modifications, the District shall not amend, change or modify this Order in any manner without the consent of the Holders of all the Bonds then outstanding in any manner, which would (a) extend the time or times of payment of the principal of and interest on the Bonds, or reduce the principal amount thereof or the rate or interest thereon or in any way modify the terms or sources of payment of the principal of or interest on the Bonds; (b) create any lien ranking prior to the lien of the Bonds; (c) give preference of any Bond over any other Bonds; or (d) extend any waiver of default to subsequent defaults.

SECTION 12.16: ISSUANCE OF BONDS UNDER CERTAIN TERMS AND CONDITIONS. The Bonds shall be issued upon and subject to the further terms and conditions contained in the Prior Bond Order, which shall apply with equal force to the Bonds as if set forth fully herein; provided, however, that where the provisions of the Prior Bond Order are

inconsistent or in conflict with the terms and provisions of this Order, the terms and provisions of this Order shall govern.

(End of Article Twelve)

ARTICLE THIRTEEN

SALE OF BONDS

SECTION 13.01: **SALE OF BONDS.** Sale of the Bonds is hereby awarded to RBC Capital Markets, LLC (the "Initial Purchaser"), for the sum of \$1,134,900.00, subject to the issuance of an approving opinion as to legality of the Initial Bonds of the Attorney General of Texas and of Bond Counsel for the District. It is hereby found and declared that the bid of the Initial Purchaser produces the lowest net effective interest rate to the District and is the best obtained for the Bonds pursuant to and after taking sealed, competitive public bids therefor, as required by law, and that the net effective interest rate resulting from said bid is 4.414218% which is less than the maximum of 5.94% permitted by the District's Official Notice of Sale. It is hereby further found and declared that the terms of the sale of the Bonds are in the District's best interests.

SECTION 13.02: **NOTICE OF SALE.** It is hereby affirmatively found and declared that notice of the time and place of this sale and the details concerning the sale of the Bonds was given by publishing an appropriate notice of sale:

- (a) at least one (1) time not less than ten (10) days before the date of sale in a newspaper of general circulation in the county in which the District is located; and
- (b) at least one (1) time in a recognized financial publication of general circulation in the State of Texas, as approved by the Attorney General of Texas.

(End of Article Thirteen)

ARTICLE FOURTEEN

OPEN MEETING AND EFFECTIVE DATE

SECTION 14.01: OPEN MEETING. The Board of Directors officially finds, determines and declares that this Order was reviewed, considered and adopted at a meeting of the Board of Directors beginning at 12:00 Noon, Houston, Texas time on August 12, 2024, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at the District's administrative office and at a place readily accessible and convenient to the public within the District and was timely furnished to the County Clerk of Waller County, Texas, for posting on a bulletin board located at a place convenient to the public in the Waller County Courthouse and on said clerk's or said county's Internet website, for the time prescribed by law preceding this meeting, as required by Chapter 551, Texas Government Code, as amended, and Section 49.063 of the Texas Water Code, as amended, and that this meeting has been open to the public, as required by law, at all times during which this Order and the subject matter hereof has been discussed, considered and acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 14.02: EFFECTIVE DATE OF ORDER. This Order shall take effect and be in full force and effect upon and after its passage.

PASSED AND ADOPTED the 12th day of August, 2024.

/s/ Victoria A. Battistini
President, Board of Directors
Waller County Municipal Utility District
No. 35

ATTEST:

/s/ Jaclyn Day
Secretary, Board of Directors
Waller County Municipal Utility
District No. 35

(SEAL)

(End of Article Fourteen)

EXHIBIT "A"

(FORM OF INITIAL BOND)

REGISTERED
NUMBER
IR-

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WALLER

REGISTERED
AMOUNT
\$_____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35
UNLIMITED TAX BOND
SERIES 2024

Interest Rate:	Maturity Date:	Initial Date:	Delivery Date:	CUSIP NO.:
_____%	September 1, ____	September 1, 2024	____, 2024	_____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, a conservation and reclamation district, a body politic and corporate and a governmental agency and political subdivision created under the Constitution and laws of the State of Texas, situated in Waller County, Texas (the "District"), FOR VALUE RECEIVED hereby acknowledges itself indebted to and PROMISES TO PAY TO

CEDE & CO.

or registered assigns, on the due date specified above, the principal sum of

_____ DOLLARS

(or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption), and to pay interest thereon from the later of the Delivery Date specified above or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months. Interest hereon is payable semiannually on March 1 and September 1 (individually, an "Interest Payment Date") of each year, commencing on March 1, 2025, until the maturity or redemption date of this Bond, as provided in the order of the Board of Directors of the District duly adopted on August 12, 2024 (the "Bond Order"), authorizing the issuance of this Bond, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the "Record Date"). Principal of this Bond due at maturity or upon prior redemption is payable 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 presentation and surrender of this Bond at the designated office of the agency selected by the District for such purpose (the "Paying Agent"). Except at maturity, interest on, or mandatory redemption payments, if any, in respect of, this Bond are payable by mailing of a check of the Paying Agent for such interest payable to, or upon written order of, the registered owner hereof at the address shown on the registry books maintained on behalf of the District by a trust or banking corporation or association selected by the District for such purpose (the "Registrar"), or by such other customary banking arrangements as may be acceptable to the Paying Agent and the registered owner hereof, at the risk and expense of the registered owner hereof. The initial Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Dallas, Texas.

THIS BOND IS ONE OF AN AUTHORIZED ISSUE OF BONDS, aggregating One Million One Hundred Seventy Thousand and No/100 Dollars (\$1,170,000.00) (the "Bonds"), issued for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and all land, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith and to pay the principal of, interest on or redemption price for the District's outstanding bond anticipation note issued for such purposes, by authority of an election held within and for the District on November 2, 2021, and pursuant to the Bond Order and under and in strict conformity with the Constitution and laws of the State of Texas.

THE TRANSFER OF THIS BOND may be accomplished by due execution of the provisions for assignment hereon and is registerable at the designated office of the Registrar by the registered owner hereof, or by his or her duly authorized representative, but only in the manner and subject to the limitations provided in the Bond Order, and only upon surrender of this Bond. Upon any such registration of transfer, one or more exchange Bonds, in authorized denominations, for a like interest rate and aggregate principal amount, shall be authenticated by the Registrar and registered and delivered or sent by United States mail, first class, postage prepaid, to the transferee in exchange therefor. This Bond, with or without others of like form and series, may in like manner be exchanged for one or more registered bonds of other authorized denominations at the same interest rate and in the same aggregate principal amount. No service charge shall be made for any such transfer or exchange, but the District and/or the Registrar may impose a charge sufficient to defray any tax or governmental charge in connection therewith.

THE BONDS ISSUED AS TERM BONDS and scheduled to mature on September 1, 2034, 2037, 2039, 2046, 2048 and 2050, are subject to mandatory redemption, prior to said scheduled Maturity Dates, and shall be redeemed, by lot or by other customary method, on September 1 in each of the years and in the principal amounts set forth in the following table (subject to reductions of such principal amounts attributable to prior optional redemptions of

such Term Bonds by the District, as provided in the Bond Order), plus accrued interest on said principal amounts:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$35,000
2033	\$35,000
2034 (Maturity)	\$35,000
2035	\$40,000
2036	\$40,000
2037 (Maturity)	\$45,000
2038	\$45,000
2039 (Maturity)	\$45,000
2045	\$60,000
2046 (Maturity)	\$65,000
2047	\$65,000
2048 (Maturity)	\$70,000
2049	\$75,000
2050 (Maturity)	\$75,000

THE DISTRICT RESERVES THE RIGHT, AT ITS OPTION, TO REDEEM the Bonds of this issue maturing on or after September 1, 2031, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed, plus accrued interest on said principal amount to be redeemed to the date fixed for redemption. In the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000, or an integral multiple thereof, and only upon the delivery of one or more exchange Serial Bonds of the same interest rate and in aggregate principal amount equal to the unredeemed portion of the Serial Bond so redeemed in part. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District may determine and notify the Paying Agent of the reduction in the remaining mandatory redemption amount(s) of such Term Bond as result from such optional redemption.

NOTICE OF REDEMPTION will be given by mailing same to the registered owners of the Bonds to be redeemed, in whole or in part, at least thirty (30) days prior to the date fixed for redemption. By the date fixed for redemption, due provision will have been made with the Paying Agent for payment of the principal amount of the Bonds so called for redemption, plus accrued interest thereon to the date fixed for redemption. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the owners to collect interest which would otherwise accrue after the redemption date

on the principal of the Bonds, or the portions thereof so called for redemption, will be terminated.

NEITHER THE DISTRICT NOR THE REGISTRAR SHALL BE REQUIRED to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of, the mailing of any notice of redemption prior to maturity; nor shall the District or the Registrar be required to transfer or exchange any Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within thirty (30) calendar days thereafter.

PRIOR TO DUE PRESENTATION OF THIS BOND FOR REGISTRATION OF TRANSFER, the District, the Paying Agent and the Registrar may deem and treat the registered owner hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof, and interest due hereon, and for all other purposes, and neither the District, the Paying Agent nor the Registrar shall be bound or affected by any notice to the contrary.

THE BONDS ARE NOT DESIGNATED AS "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b) of the Internal Revenue Code of 1986 in effect on the date of the issuance of the Bonds.

THIS BOND, AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Bond Order for a complete description of: the terms, covenants and provisions pursuant to which this Bond and said series of Bonds are secured and made payable; the respective rights thereunder of the registered owners of the Bonds and of the District, the Paying Agent and the Registrar; the terms upon which the Bonds are, and are to be, registered and delivered; and any capitalized terms not otherwise defined herein. By acceptance of this Bond, the owner hereof expressly assents to all of the provisions of the Bond Order.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond, and the series of Bonds of which it is a part, is duly authorized by law; that all acts, conditions, and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a direct, annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

UNLESS AND UNTIL A CERTIFICATE OF REGISTRATION of the Comptroller of Public Accounts of the State of Texas has been manually executed hereon by such Comptroller (or a duly authorized deputy), as provided in the Bond Order, this Bond shall not be entitled to the benefit and security of the Bond Order nor be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 has caused this Bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and its official seal to be impressed or placed in facsimile hereon.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

(SEAL)

STATEMENT OF INSURANCE

Assured Guaranty Inc. ("AG"), has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AG or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Policy.

OFFICE OF THE COMPTROLLER

REGISTER NO. _____

THE STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas to the effect that this Bond has been examined by said Attorney General as required by law, that said Attorney General finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and it is a valid and binding obligation of Waller County Municipal Utility District No. 35 and said Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas,

_____.

Comptroller of Public Accounts
of the State of Texas

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number): _____
the within Bond and does hereby irrevocably constitute and appoint
_____ as attorney to transfer said Bond on the books kept
for registration thereof, with full power of substitution in the premises.

Dated: _____

The signature of the Registered Owner
appearing on this Assignment is hereby
verified as true and genuine and is guaranteed
by:

Registered Owner

NOTICE: The signature on this
Assignment must correspond in every
particular with the name of the Registered
Owner as it appears on the face of the
within Bond.

(Bank, Trust Company, or
Brokerage Firm)

By: _____
(Authorized Representative)

EXHIBIT "B"

(FORM OF EXCHANGE BOND)

REGISTERED
NUMBER
R-

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WALLER

REGISTERED
AMOUNT
\$_____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35
UNLIMITED TAX BOND
SERIES 2024

Interest Rate: Maturity Date: Initial Date: Delivery Date: CUSIP NO.:
_____% September 1, ____ September 1, 2024 _____ _____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, a conservation and reclamation district, a body politic and corporate and a governmental agency and political subdivision created under the Constitution and laws of the State of Texas, situated in Waller County, Texas (herein the "District"), FOR VALUE RECEIVED hereby acknowledges itself indebted to and PROMISES TO PAY TO

or registered assigns, on the due date specified above, the principal sum of

_____ DOLLARS

(or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption), and to pay interest thereon from the later of the Delivery Date specified above or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months. Interest hereon is payable semiannually on March 1 and September 1 (individually, an "Interest Payment Date") of each year, commencing on March 1, 2025, until the maturity or redemption date of this Bond, as provided in the order of the Board of Directors of the District duly adopted on August 12, 2024 (the "Bond Order"), authorizing the issuance of this Bond, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding

such Interest Payment Date (the "Record Date"). Principal of this Bond due at maturity or upon prior redemption is payable 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 presentation and surrender of this Bond at the designated office of the agency selected by the District for such purpose (the "Paying Agent"). Except at maturity, interest on, or mandatory redemption payments, if any, in respect of, this Bond are payable by mailing of a check of the Paying Agent for such interest payable to, or upon written order of, the registered owner hereof at the address shown on the registry books maintained on behalf of the District by a trust or banking corporation or association selected by the District for such purpose (the "Registrar"), or by such other customary banking arrangements as may be acceptable to the Paying Agent and the registered owner hereof, at the risk and expense of the registered owner hereof. The initial Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Dallas, Texas.

THIS BOND IS ONE OF AN AUTHORIZED ISSUE OF BONDS, aggregating One Million One Hundred Seventy Thousand and No/100 Dollars (\$1,170,000.00) (the "Bonds"), issued for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and all land, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith and to pay the principal of, interest on or redemption price for the District's outstanding bond anticipation note issued for such purposes by authority of an election held within and for the District on November 2, 2021, and pursuant to the Bond Order and under and in strict conformity with the Constitution and laws of the State of Texas.

THE TRANSFER OF THIS BOND may be accomplished by due execution of the provisions for assignment hereon and is registerable at the designated office of the Registrar by the registered owner hereof, or by his or her duly authorized representative, but only in the manner and subject to the limitations provided in the Bond Order, and only upon surrender of this Bond. Upon any such registration of transfer, one or more exchange Bonds, in authorized denominations, for a like interest rate and aggregate principal amount, shall be authenticated by the Registrar and registered and delivered or sent by United States mail, first class, postage prepaid, to the transferee in exchange therefor. This Bond, with or without others of like form and series, may in like manner be exchanged for one or more registered bonds of other authorized denominations at the same interest rate and in the same aggregate principal amount. No service charge shall be made for any such transfer or exchange, but the District and/or the Registrar may impose a charge sufficient to defray any tax or governmental charge in connection therewith.

THE BONDS ISSUED AS TERM BONDS and scheduled to mature on September 1, 2034, 2037, 2039, 2046, 2048 and 2050, are subject to mandatory redemption, prior to said scheduled Maturity Dates, and shall be redeemed, by lot or by other customary method, on September 1 in each of the years and in the principal amounts set forth in the following table

(subject to reductions of such principal amounts attributable to prior optional redemptions of such Term Bonds by the District, as provided in the Bond Order), plus accrued interest on said principal amounts:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$35,000
2033	\$35,000
2034 (Maturity)	\$35,000
2035	\$40,000
2036	\$40,000
2037 (Maturity)	\$45,000
2038	\$45,000
2039 (Maturity)	\$45,000
2045	\$60,000
2046 (Maturity)	\$65,000
2047	\$65,000
2048 (Maturity)	\$70,000
2049	\$75,000
2050 (Maturity)	\$75,000

THE DISTRICT RESERVES THE RIGHT, AT ITS OPTION, TO REDEEM the Bonds of this issue maturing on or after September 1, 2031, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed, plus accrued interest on said principal amount to be redeemed to the date fixed for redemption. In the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000, or an integral multiple thereof, and only upon the delivery of one or more exchange Serial Bonds of the same interest rate and in aggregate principal amount equal to the unredeemed portion of the Serial Bond so redeemed in part. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District may determine and notify the Paying Agent of the reduction in the remaining mandatory redemption amount(s) of such Term Bond as result from such optional redemption.

NOTICE OF REDEMPTION will be given by mailing same to the registered owners of the Bonds to be redeemed, in whole or in part, at least thirty (30) days prior to the date fixed for redemption. By the date fixed for redemption, due provision will have been made with the Paying Agent for payment of the principal amount of the Bonds so called for redemption, plus accrued interest thereon to the date fixed for redemption. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the owners to collect interest which would otherwise accrue after the redemption date

on the principal of the Bonds, or the portions thereof so called for redemption, will be terminated.

NEITHER THE DISTRICT NOR THE REGISTRAR SHALL BE REQUIRED to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of, the mailing of any notice of redemption prior to maturity; nor shall the District or the Registrar be required to transfer or exchange any Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within thirty (30) calendar days thereafter.

PRIOR TO DUE PRESENTATION OF THIS BOND FOR REGISTRATION OF TRANSFER, the District, the Paying Agent and the Registrar may deem and treat the registered owner hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof, and interest due hereon, and for all other purposes, and neither the District, the Paying Agent nor the Registrar shall be bound or affected by any notice to the contrary.

THE BONDS ARE NOT DESIGNATED AS "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b) of the Internal Revenue Code of 1986 in effect on the date of the issuance of the Bonds.

THIS BOND, AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Bond Order for a complete description of: the terms, covenants and provisions pursuant to which this Bond and said series of Bonds are secured and made payable; the respective rights thereunder of the registered owners of the Bonds and of the District, the Paying Agent and the Registrar; the terms upon which the Bonds are, and are to be, registered and delivered; and any capitalized terms not otherwise defined herein. By acceptance of this Bond, the owner hereof expressly assents to all of the provisions of the Bond Order.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond, and the series of Bonds of which it is a part, is duly authorized by law; that all acts, conditions, and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a direct, annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

UNLESS AND UNTIL A CERTIFICATE OF REGISTRATION of the Registrar has been manually executed by an authorized representative of the Registrar, as provided in the Bond Order, this Bond shall not be entitled to the benefit and security of the Bond Order nor be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 has caused this Bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and its official seal to be impressed or placed in facsimile hereon.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

(SEAL)

STATEMENT OF INSURANCE

Assured Guaranty Inc. ("AG"), has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AG or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Policy.

CERTIFICATE OF REGISTRAR

This is to certify that this Bond is one of the Bonds issued under the provisions of the within-mentioned Bond Order, and it is hereby further certified that this Bond has been authorized and delivered in conversion and exchange for, or in replacement of, a Bond, Bonds or portions thereof (or one or more prior conversion, exchange or replacement Bonds) originally issued by Waller County Municipal Utility District No. 35, approved by the Attorney General of Texas, and initially registered by the Comptroller of Public Accounts of the State of Texas.

_____, Registrar

Dated: _____

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number): _____ the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

The signature of the Registered Owner appearing on this Assignment is hereby verified as true and genuine and is guaranteed by:

Registered Owner

NOTICE: The signature on this Assignment must correspond in every particular with the name of the Registered Owner as it appears on the face of the within Bond.

(Bank, Trust Company, or
Brokerage Firm)

By: _____
(Authorized Representative)

[The legal opinion of Bond Counsel shall also be attached to the Exchange Bonds.]

EXHIBIT "C"

CONTINUING DISCLOSURE

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 under the section entitled: "APPENDIX A".

Any financial statements of the District will be prepared in accordance with generally accepted accounting principles for local government units as prescribed by the Governmental Accounting Standards Board or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

Exhibit C

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (this "Agreement") is entered into as of August 12, 2024, by and between Waller County Municipal Utility District No. 35 (the "Issuer"), with its principal offices located in Harris County, Texas, and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States (the "Bank").

RECITALS

Pursuant to an order adopted by the Board of Directors of the Issuer on August 12, 2024 (the "Order"), the Issuer has duly authorized and provided for the issuance of its bonds, entitled Waller County Municipal Utility District No. 35 Unlimited Tax Bonds, Series 2024 (the "Bonds"), in the aggregate principal amount of \$1,170,000, to be issued as fully registered bonds, without interest coupons.

The Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal of, the redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 149(a) of the Code.

The Issuer and the Bank have duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement a valid agreement of the parties, in accordance with its terms, have been done.

AGREEMENT

For and in consideration of the mutual agreements and undertakings herein and the payments to be made hereunder, the parties contract and agree as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointments.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to receive the purchase price of the Bonds, from the underwriter of the Bonds and to transfer funds relating to the closing and initial delivery of the Bonds, and to pay to the Holders (as hereinafter defined), in accordance with the terms and provisions of this Agreement and the Order, the principal of and the redemption premium, if any, and interest on the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds.

The Bank hereby accepts its appointment and agrees to act as Paying Agent and Registrar.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees set forth in the Bank's fee schedule attached as Exhibit "A" hereto. The Bank reserves the right to amend the fee schedule at any time; provided, however, that the Bank shall have furnished the Issuer with a written copy of such amended fee schedule at least 75 days prior to the date that the new fees are to become effective.

Except as otherwise expressly provided herein, the Issuer agrees to reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provisions of this Agreement (including expenses, disbursements and advances of its counsel), to the extent not covered by the compensation terms established in Exhibit "A" hereto, unless any such expense, disbursement, or advance is attributable to the negligence or willful misconduct of the Paying Agent.

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions. Unless the context clearly requires otherwise, the following terms shall have the meanings assigned to them in the Order, but in case of any conflict or ambiguity between the Order and this Agreement, the terms and provisions of the Order shall prevail and control:

"Bond" or "Bonds".

"Code".

"Delivery Date".

"District".

"DTC".

"Holder" or "Holders".

"Initial Bonds".

"Order".

"Person".

"Register".

Section 2.02. Supplemental Definitions.

The following terms used in this Agreement shall have the meanings assigned to them herein:

"Agreement" means this Paying Agent/Registrar Agreement, including all exhibits, amendments and supplements hereto.

"Bank" means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States.

"Financial Advisor" means Robert W. Baird & Co., Inc., Houston, Texas, acting in the capacity of the Issuer's financial advisor with respect to the Bonds.

"Issuer" means District, as such term is defined in the Order.

"Paying Agent" shall have the meaning assigned to such term in the Order and refers to the Bank when it is performing the function and acting in the capacity of paying agent pursuant to this Agreement.

"Registrar" shall have the meaning assigned to such term in the Order and refers to the Bank when it is performing the function and acting in the capacity of Registrar pursuant to this Agreement.

ARTICLE THREE

DUTIES OF THE BANK

Section 3.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to the Person designated by the Issuer in the Order. At the time of such registration and delivery, Bank shall complete the Initial Bonds with the Delivery Date. If such Person delivers a written request to the Bank not later than 5 business days prior to the Delivery Date, the Bank will, on the Delivery Date, exchange the Initial Bonds for Bonds of authorized denominations, registered in accordance with the instructions in such request and the Order.

Section 3.02. Transfer of Proceeds of Sale of Bonds.

The net proceeds of the sale of the Bonds shall be deposited with the Paying Agent via wire transfer of immediately available funds. The Paying Agent shall disburse (or deposit into accounts) such funds as directed in writing by the Issuer. Such funds shall not be invested. Any funds remaining on deposit with the Paying Agent thirty (30) days after the issuance of the Bonds shall be paid over to the Issuer.

Section 3.03. Duties of Paying Agent.

The Bank is authorized to receive the purchase price of the Bonds from the underwriter of the Bonds and to transfer said funds relating to the closing and initial delivery of the Bonds in the manner disclosed in the closing memorandum as prepared by the Financial Advisor or other agent. The Bank may act on an electronic mail transmission of the closing memorandum acknowledged by the Issuer or the Financial Advisor as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

As Paying Agent, the Bank shall, but only to the extent that adequate funds have been provided to it for such purposes by or on behalf of the Issuer, pay on behalf of the Issuer the principal of, the redemption premium, if any, and interest on each Bond in accordance with the provisions of the Order.

Section 3.04. Duties of Registrar.

As Registrar, the Bank shall provide for the proper registration of the Bonds, the exchange, replacement and registration of transfers of the Bonds, and notice of redemption or discharge by deposit of the Bonds in accordance with the provisions of the Order.

Section 3.05. Unauthenticated Bonds.

The Issuer shall provide an inventory of unauthenticated Bonds, as needed, to facilitate transfers. The Bank covenants that it will maintain any such unauthenticated Bonds provided by the Issuer in safekeeping with not less than the same degree of care it uses for maintaining debt securities of other government entities or corporations for which it serves as registrar, or for its own bonds.

Section 3.06. Reports and Records.

The Bank will provide the Issuer reports upon request describing in reasonable detail all transactions pertaining to the Bonds and the Register. The Issuer may also inspect and make copies of the information in the Register at any time that the Bank is customarily open for business so long as reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Register to any Person, other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of any such subpoena, court order or lawful request for disclosure, the Bank will notify the Issuer immediately so that the Issuer will have the opportunity to, but shall not be required to, contest the subpoena, court order or request.

The Bank agrees that all records of the Issuer held by the Bank will be maintained according to the provisions of the Public Information Act, Ch. 552, Texas Government Code, and

the Local Government Records Act, Ch. 201-205, Texas Local Government Code, each as amended.

Section 3.07. Cancelled Bonds.

All Bonds surrendered to the Bank for payment, redemption, transfer, exchange, or replacement shall be promptly cancelled by it. Bonds surrendered to the Issuer shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank shall be destroyed upon the making of proper records, and evidence of such destruction shall be furnished to the Issuer upon request; provided, however, that if applicable laws or regulations prohibit the Bank from destroying the cancelled Bonds, the Bank shall return the cancelled Bonds to the Issuer.

Section 3.08. Standards.

The Bank undertakes to perform the duties set forth herein and in the Order and agrees to use reasonable care in the performance thereof. Except as otherwise expressly provided herein or in the Order, the Bank hereby agrees to use the funds transferred to it only for payment of the principal of and the redemption premium, if any, and interest on the Bonds, as the same shall become due.

Section 3.09. Reliance and Performance.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable to the Issuer for actions taken under this Agreement so long as it acts in good faith and exercises due diligence, reasonableness and care, as prescribed by law, with regard to its duties hereunder.

(c) This Agreement is not intended to require the Bank to expend its own funds for performance of any of its duties hereunder.

(d) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys.

Section 3.10. Money Held by Bank.

(a) Money held by the Bank hereunder shall not be deemed a banking deposit but shall be held for payment to the Holders of the Bonds as set forth in the Order.

(b) The Bank shall be under no obligation to pay interest on any money received by it hereunder.

(c) All money transferred to the Bank hereunder shall be secured in the manner and to the fullest extent required by applicable law for the security of funds of the Issuer.

(d) Except to the extent otherwise provided in the Order, any money transferred to the Bank for the payment of the principal of, the redemption premium, if any, or interest on any Bond which remains unclaimed for three (3) years after the date such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

Section 3.11. DTC Compliance.

In order for the Bonds to become and remain DTC eligible, the Bank shall, subject to the Issuer's obligations below, abide by the requirements stated in the DTC *Operational Arrangements* memorandum dated as of January, 2009, as such requirements may be amended from time to time. Among other matters, the *Operational Arrangements* require the Bank to provide on the payment date (i) any principal and interest payments to DTC in same-day funds by 2:50 p.m., eastern time, along with supporting CUSIP details in automated form, (ii) payment details for interest payments by noon, eastern time, and (iii) redemption and corporate action payments and details by 2:50 p.m. eastern time. In order for the Bank to meet such requirements, the Issuer shall remit by 1:00 p.m., eastern time, on all payment dates funds for all principal and interest payments due to the Bank, or at such earlier time as may reasonably be required by the Bank to ensure that DTC will receive payment in same-day funds by 2:50 p.m., eastern time, on such payment dates.

Section 3.12. Damages.

Anything in this Agreement to the contrary notwithstanding, and to the extent permitted by law, in no event shall the Paying Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Paying Agent has been advised of such loss or damage and regardless of the form of action, but nothing herein shall relieve the Paying Agent from liability for actual and direct damages.

Section 3.13. Indemnification.

The Issuer agrees to and shall, to the full extent permitted by law, indemnify, defend and hold harmless the Paying Agent, together with its officers, directors, agents and employees, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney's fees, incurred without negligence or willful misconduct on the part of the Paying Agent, arising out of or in connection with the administration or performance of its duties and obligations or the exercise or performance of any of its powers hereunder.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

Section 4.01. Recitals of Issuer.

The recitals contained in the Order and the Bonds shall be taken as the statements of Issuer, and the Bank assumes no responsibility for their correctness.

Section 4.02. May Own Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds, with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 4.03. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.04. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 4.05. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank respectively, at the addresses shown herein, or such other address as may have been given by one party to the other by 15 days' written notice.

Section 4.06. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 4.07. Successors and Assigns.

All covenants and agreements herein of the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not. Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any document or any further act on the part of either

of the parties hereto; provided, however, written notice of such merger, conversion or consolidation shall promptly be given to the Issuer.

Section 4.08. Severability.

If any provision of this Agreement shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

Section 4.09. Benefits of Agreement.

Nothing herein, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 4.10. Order Governs Conflicts.

This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar in respect of the Bonds, and if any conflict arises between this Agreement and the Order, the Order shall govern.

Section 4.11. Term and Termination.

This Agreement shall be effective from and after its date for so long as any of the Bonds remain outstanding, but may be terminated for any reason by the Issuer or the Bank at any time upon sixty (60) days' written notice; provided, however, that no such termination shall be effective until one or more successors have been appointed and have accepted the duties of the Bank hereunder. **If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer to the extent permitted by law, has the right to petition a court of competent jurisdiction in the State of Texas to appoint a successor under the Agreement.** In the event of early termination of this Agreement, regardless of the circumstances, the Bank shall deliver to the Issuer, or its designee, all funds, Bonds and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Bonds, including, but not limited to, the Register.

Section 4.12. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Texas.

Section 4.13. Anti-Boycott and Anti-Discrimination Provisions; Compliance with Laws Prohibiting Contracts with Certain Companies Engaged in Business With Iran, Sudan or Foreign Terrorist Organizations.

Bank hereby verifies that: (1) neither Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel, (2) neither Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or

affiliate of the same, boycotts or will boycott energy companies, and (3) neither Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (a) has or will have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, or (b) will discriminate against a firearm entity or firearm trade association.

Additionally, Bank represents and certifies that, at the time of execution of this Agreement neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

The terms (1) "boycotts Israel" and "boycott Israel" as used herein have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended, (2) "boycotts energy companies" and "boycott energy companies" as used herein have the meanings assigned to the term "boycott energy company" in Sections 809.001 and 2276.001 of the Texas Government Code, each as amended, and (3) "discriminates against a firearm entity or firearm trade association" as used herein has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code, as amended. As used herein, the term "affiliate" shall mean an entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rules 405, 17 C.F.R. § 230.405, and exists to make a profit.

Liability for breach of any of the foregoing representations, verifications, and certifications during the term of this Agreement shall survive termination of this Agreement until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provisions hereof, notwithstanding anything herein to the contrary.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in several copies, each of equal dignity, as of the day and year first above written.

WALLER COUNTY MUNICIPAL UTILITY
DISTRICT NO. 35

By: _____

Name: _____

Title: _____

Address: c/o Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 2400
Houston, Texas 77056

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Name: _____
Title: _____

Address: The Bank of New York Mellon Trust
Company, N.A.
500 Ross Street, Suite 625
Pittsburgh, PA 15262

TEXAS ETHICS COMMISSION FORM 1295 COMPLIANCE

UNDER SECTION 2252.908, TEXAS GOVERNMENT CODE, AS AMENDED, A GOVERNMENTAL ENTITY MAY NOT ENTER INTO CERTAIN CONTRACTS WITH A BUSINESS ENTITY UNLESS THE BUSINESS ENTITY SUBMITS A DISCLOSURE OF INTERESTED PARTIES FORM (A "FORM 1295") TO THE GOVERNMENTAL ENTITY AT THE TIME THE BUSINESS ENTITY SUBMITS THE SIGNED CONTRACT TO THE GOVERNMENTAL ENTITY. BY EXECUTION OF THIS AGREEMENT ABOVE AND BELOW, THE BANK REPRESENTS AND WARRANTS TO THE ISSUER THAT IT **(CHECK THE APPROPRIATE BOX):**

- ☐ IS A PUBLICLY TRADED BUSINESS ENTITY, OR A WHOLLY OWNED SUBSIDIARY OF A PUBLICLY TRADED BUSINESS ENTITY, AND A FORM 1295 IS NOT REQUIRED TO BE SUBMITTED TO THE ISSUER PURSUANT TO SECTION 2252.908(C)(4), TEXAS GOVERNMENT CODE, AS AMENDED; OR
- ☐ SUBMITTED THE **ATTACHED** AND FOLLOWING FORM 1295 TO THE ISSUER ON _____, 2024, WHICH IS THE TIME THE BANK SUBMITTED THE SIGNED AGREEMENT TO THE ISSUER.

REPRESENTATIVE OF BUSINESS ENTITY

736032

Exhibit D

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35

1300 Post Oak Blvd., Suite 2400

Houston, Texas 77056

August 12, 2024

VIA FEDERAL EXPRESS

Ms. Kelly Keel
Executive Director
Texas Commission on Environmental Quality
12100 Park 35 Circle MC152
Austin, Texas 78753

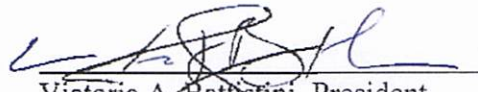
Re: \$1,170,000 Waller County Municipal Utility District No. 35 Unlimited Tax Bonds, Series 2024; Internal Control No. D-11092023-019 (TC)

Dear Ms. Keel:

Pursuant to Commission Rule 293.85(a), please be advised that the District has revised the maturity schedule for the captioned bond issue. This revision in the maturity schedule does not require an increase in the bond amount and does not change the Commission approved tax rate. Enclosed for your files is a revised bond issue maturity schedule. In accordance with the Rule, also enclosed is the bond issue cost summary, although no change is necessary or has been made to same.

Should you have any questions regarding the enclosed documents, please call the District's attorney, Christina Cole, at (713) 623-4531.

Very truly yours,


Victoria A. Battistini, President
Board of Directors

Enclosures
736910

cc: Mr. Stephen Eustis
Mr. David Wood
Robert W. Baird & Co., Inc.

Ms. Kelly Keel
August 12, 2024
Page 2

Ms. Christina Cole
Schwartz, Page & Harding, LLP

Mr. Blair Bozoarth, P.E.
Quiddity Engineering, LLC

BOND DEBT SERVICE

**Waller County Municipal Utility District No. 35
Unlimited Tax Bonds, Series 2024**

Dated Date 09/01/2024
Delivery Date 09/11/2024

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2025			26,243.75	26,243.75	
09/01/2025			27,787.50	27,787.50	
12/31/2025					54,031.25
03/01/2026			27,787.50	27,787.50	
09/01/2026	25,000	4.750%	27,787.50	52,787.50	
12/31/2026					80,575.00
03/01/2027			27,193.75	27,193.75	
09/01/2027	25,000	4.750%	27,193.75	52,193.75	
12/31/2027					79,387.50
03/01/2028			26,600.00	26,600.00	
09/01/2028	30,000	4.750%	26,600.00	56,600.00	
12/31/2028					83,200.00
03/01/2029			25,887.50	25,887.50	
09/01/2029	30,000	4.750%	25,887.50	55,887.50	
12/31/2029					81,775.00
03/01/2030			25,175.00	25,175.00	
09/01/2030	30,000	4.750%	25,175.00	55,175.00	
12/31/2030					80,350.00
03/01/2031			24,462.50	24,462.50	
09/01/2031	30,000	4.750%	24,462.50	54,462.50	
12/31/2031					78,925.00
03/01/2032			23,750.00	23,750.00	
09/01/2032	35,000	4.750%	23,750.00	58,750.00	
12/31/2032					82,500.00
03/01/2033			22,918.75	22,918.75	
09/01/2033	35,000	4.750%	22,918.75	57,918.75	
12/31/2033					80,837.50
03/01/2034			22,087.50	22,087.50	
09/01/2034	35,000	4.750%	22,087.50	57,087.50	
12/31/2034					79,175.00
03/01/2035			21,256.25	21,256.25	
09/01/2035	40,000	4.750%	21,256.25	61,256.25	
12/31/2035					82,512.50
03/01/2036			20,306.25	20,306.25	
09/01/2036	40,000	4.750%	20,306.25	60,306.25	
12/31/2036					80,612.50
03/01/2037			19,356.25	19,356.25	
09/01/2037	45,000	4.750%	19,356.25	64,356.25	
12/31/2037					83,712.50
03/01/2038			18,287.50	18,287.50	
09/01/2038	45,000	4.750%	18,287.50	63,287.50	
12/31/2038					81,575.00
03/01/2039			17,218.75	17,218.75	
09/01/2039	45,000	4.750%	17,218.75	62,218.75	
12/31/2039					79,437.50
03/01/2040			16,150.00	16,150.00	
09/01/2040	50,000	4.750%	16,150.00	66,150.00	
12/31/2040					82,300.00
03/01/2041			14,962.50	14,962.50	
09/01/2041	50,000	4.750%	14,962.50	64,962.50	
12/31/2041					79,925.00
03/01/2042			13,775.00	13,775.00	
09/01/2042	55,000	4.750%	13,775.00	68,775.00	
12/31/2042					82,550.00
03/01/2043			12,468.75	12,468.75	
09/01/2043	55,000	4.750%	12,468.75	67,468.75	
12/31/2043					79,937.50
03/01/2044			11,162.50	11,162.50	
09/01/2044	60,000	4.750%	11,162.50	71,162.50	

BOND DEBT SERVICE

**Waller County Municipal Utility District No. 35
Unlimited Tax Bonds, Series 2024**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/31/2044					82,325.00
03/01/2045			9,737.50	9,737.50	
09/01/2045	60,000	4.750%	9,737.50	69,737.50	
12/31/2045					79,475.00
03/01/2046			8,312.50	8,312.50	
09/01/2046	65,000	4.750%	8,312.50	73,312.50	
12/31/2046					81,625.00
03/01/2047			6,768.75	6,768.75	
09/01/2047	65,000	4.750%	6,768.75	71,768.75	
12/31/2047					78,537.50
03/01/2048			5,225.00	5,225.00	
09/01/2048	70,000	4.750%	5,225.00	75,225.00	
12/31/2048					80,450.00
03/01/2049			3,562.50	3,562.50	
09/01/2049	75,000	4.750%	3,562.50	78,562.50	
12/31/2049					82,125.00
03/01/2050			1,781.25	1,781.25	
09/01/2050	75,000	4.750%	1,781.25	76,781.25	
12/31/2050					78,562.50
	1,170,000		906,418.75	2,076,418.75	2,076,418.75



SECTION 4 – SUMMARY OF COSTS

WALLER COUNTY MUNICIPAL UTILITY DISTRICT No. 35

BOND ISSUE NO. 1

Construction Costs	Total Amount	Bond Issue Share
A. Developer Contribution Items		
1. Sunterra Section 49 WSD	\$ 1,928,423	\$ 568,885 ⁽¹⁾
Total Developer Contribution Items	\$ 1,928,423	\$ 568,885
 TOTAL CONSTRUCTION ITEMS (48.62% of BIR)	 \$ 1,928,423	 \$ 568,885
 Non Construction Costs		
A. Legal Fees		⁽²⁾
Bond Issue		\$ 39,250
Bond Anticipation Note		15,000
B. Fiscal Agent Fees		⁽³⁾
Bond Issue		23,400
Bond Anticipation Note		10,000
C. Interest Costs (Interest Rate at 6.5%)		
Capitalized Interest (18 months)		114,075
Developer Interest		52,495 ⁽⁴⁾⁽⁵⁾
Bond Anticipation Note Interest		28,050
D. Creation Costs		97,323
E. Developer Advances		56,411 ⁽⁶⁾
F. Bond Discount (3%)		35,100
G. TCEQ Bond Issuance Fee (0.25%)		2,925
H. Market Study		5,460
I. Bond Application Report Costs		66,000
J. Bond Issuance Expenses		⁽⁷⁾
Bond Issue		40,498
Bond Anticipation Note		13,958
K. Attorney General's Fee (0.1%)		1,170
 TOTAL NONCONSTRUCTION COSTS (51.38% of BIR)	 	 \$ 601,115
TOTAL		\$ 1,170,000



QUIDDITY

Notes:

- (1) Includes 29.5% of the construction costs. Refer to **Attachment 7** for an itemized cost breakdown.
- (2) Refer to **Attachment 10(a)** for a breakdown of legal fees.
- (3) Refer to **Attachment 10(b)** for a breakdown of fiscal agent fees.
- (4) Refer to **Attachment 11(a)** for a tabular breakdown of developer interest.
- (5) The developer interest that is being requested to be reimbursed is based upon the application of TCEQ Rule 293.50(b)(2). A breakdown of calculation of Rule 293.50(b)(2) has been included as **Attachment 11(b)**. See also District's Order authorizing this application.
- (6) Refer to **Attachment 23** for a breakdown of developer advances and the District's Profit & Loss Statement from June 2021 through May 2022.
- (7) Refer to **Attachment 28** for a breakdown of bond issuance expenses.

Exhibit E

RESOLUTION AUTHORIZING ISSUANCE OF
NOTICE OF REDEMPTION OF BOND ANTICIPATION NOTE

WHEREAS, Waller County Municipal Utility District No. 35 (the "District"), has issued its \$510,000 Bond Anticipation Note, Series 2023, dated December 18, 2023 (the "BAN"); and

WHEREAS, the District has sold its \$1,170,000 Unlimited Tax Bonds, Series 2024 (the "Bonds") for the purpose, among others, of paying the principal of and interest on the BAN; and

WHEREAS, the District now desires to issue a notice of redemption of the BAN, as authorized by the terms thereof.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 THAT:

Section 1: The President or Vice President of the Board of Directors of the District are hereby authorized and directed to:

(1) Execute a notice of redemption to Third Coast Bank, a Texas state bank, formerly known as Third Coast Bank SSB, as the owner and holder of the BAN, setting forth a redemption date not later than thirty (30) days following the closing on the Bonds.

(2) Take such further and additional action as may be appropriate in such regard.

Section 2. The President or Vice-President and the District's attorneys and financial advisor are further authorized and directed to do any and all things necessary and proper in order to accomplish the payment, redemption and cancellation of the BAN.

Section 3: This Resolution shall be in force and effect from and after its adoption.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

PASSED AND ADOPTED this 12th day of August, 2024.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

ATTEST:

By: 
Secretary
Board of Directors

By: 
President
Board of Directors

(SEAL)

Exhibit F

Forvis Mazars, LLP
2700 Post Oak Boulevard, Suite 1500
Houston, TX 77056
P 713.499.4600
F 713.499.4699
forvismazars.us



August 12, 2024

Board of Directors
Waller County Municipal Utility District No. 35
Waller County, Texas

We appreciate your selection of **Forvis Mazars, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

Waller County Municipal Utility District No. 35

- Agreed-Upon Procedure Services relative to the District's Series 2024 Bonds

Engagement Fees

Our fees for the above services will be computed at our standard rates. Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt.

Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

Forvis Mazars, LLP

Forvis Mazars, LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of **Waller County Municipal Utility District No. 35**.

BY


Board President

DATE

Scope of Services

The following apply for all services:

Assistance

Our timely completion of services depends on the assistance you, or the responsible party(ies), provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in untimely filings or inability to meet other deadlines.

**Responsibility
for Outcomes**

We may perform additional services for you that are not covered by this contract. You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand that the Board is responsible and accountable for overseeing the performance of these services and that the Board is qualified to conduct such oversight.

**Performance of
Nonattest
Services – SEC
and PCAOB**

Our performance of certain nonattest services may not be permitted under the SEC and PCAOB independence rules, to which we are not currently subject. Accordingly, if we perform services that are not permitted under those rules, you would not be permitted to use our reports in a registration statement or other document requiring compliance with those rules.

You agree to inform us promptly if you are considering any future public offering of securities, use of our reports to comply with the Investment Advisers Act custody rule, or other action that would necessitate our future compliance with the independence rules of the SEC and PCAOB.

Scope of Services – Agreed-Upon Procedure Services

We will apply the agreed-upon procedures described below to statements submitted by the developers for costs paid or incurred on behalf of Waller County Municipal Utility District No. 35 (the District). This engagement is solely to assist you in determining amounts to be paid by the District to the developers from the proceeds of the District's Series 2024 Bonds. The appropriateness of the procedures is solely the responsibility of the parties to be specified in our report. Consequently, we make no representation regarding the appropriateness of the procedures described below for the purpose for which our reports have been requested or for any other purpose. Our proposed procedures are as follows:

- We will vouch copies of checks and invoices supporting amounts expended by the developers. The computations of certain costs will be recalculated to determine that the amounts required to be paid by the developers, in accordance with the rules of the Texas Commission on Environmental Quality (the Commission), are not included in the amount to be reimbursed.
- We will recalculate the computations of interest requested by the developers, on a test basis, and determine that they are in compliance with rules of the Commission. The interest rate to be utilized is from the District's Series 2024 Bonds.
- We will compare the costs submitted by the developer to the cost summary approved by the Commission.
- Estimates of costs remaining to be incurred, if any, will be obtained through discussion with the District's other consultants.

Because we have not been engaged to conduct an examination or review, we will not express an opinion or conclusion, respectively. In addition, we have no obligation to perform any procedures beyond those listed above.

Sherri Greenwood is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will submit reports listing the procedures performed and the results of those procedures. These reports are solely for the use of the District and should not be used by those who did not agree to the procedures. Our reports will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The following apply for the agreed-upon procedure services described above:

Our Responsibilities	Our engagement to apply agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants as required by Rule 30 TAC, Section 293.70 of the Commission, "Audit of Payments to Developer."
District Responsibilities	To facilitate our engagement, the District is responsible for supplying us with all necessary information and for allowing us access to personnel to assist in performing our services. It should be understood that the District is responsible for the accuracy and completeness of these items and for the subject matter. At the conclusion of our engagement, the District will provide to us a letter confirming the availability of this information, certain representations made during the engagement, and acknowledging certain responsibilities outlined in this contract.

Forvis Mazars, LLP Terms and Conditions Addendum

GENERAL

1. **Overview.** This addendum describes Forvis Mazars LLP's standard terms and conditions ("Terms and Conditions") applicable to Our provision of services to the Client ("You"). The Terms and Conditions are a part of the contract between You and Forvis Mazars, LLP. For the purposes of the Terms and Conditions, any reference to "Firm," "We," "Us," or "Our" is a reference to Forvis Mazars, LLP ("Forvis Mazars"), and any reference to "You" or "Your" is a reference to the party or parties that have engaged Us to provide services and the party or parties ultimately responsible for payment of Our fees and costs.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** We will bill You for Our professional fees and costs as outlined in Our contract. Interest will be charged on any unpaid balance after 30 days at the rate of 10 percent per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10 percent. All fees, charges, and other amounts payable to Forvis Mazars hereunder do not include any sales, use, excise, value-added, or other applicable taxes, tariffs, or duties, payment of which shall be Your sole responsibility, and do not include any applicable taxes based on Forvis Mazars' net income or taxes arising from the employment or independent contractor relationship between Forvis Mazars and Forvis Mazars' personnel.

We reserve the right to suspend or terminate Our work for this engagement or any other engagement for nonpayment of fees. If Our work is suspended or terminated, You agree that We will not be responsible for Your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against You resulting from Your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of Our services.

Our fees may increase if Our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. Our engagement fees do not include any time for post-engagement consultation with Your personnel or third parties, consent letters and related procedures for the use of Our reports in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If these services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, We agree to make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or any of their duly authorized representatives, such of Our books, documents, and records that are necessary to certify the nature and extent of Our services, until the expiration of four (4) years after the furnishing of these services. This

contract allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate these services in good faith at any time for any reason, including Your failure to comply with the terms of Our contract or as We determine professional standards require. Both parties must agree, in writing, to any future modifications or extensions. If services are terminated, You agree to pay Forvis Mazars for time expended to date. In addition, You will be billed costs and fees for services from other professionals, if any, as well as an administrative fee of five (5) percent to cover certain technology and administrative costs associated with Our services. Unless terminated sooner in accordance with its terms, this engagement shall terminate upon the completion of Forvis Mazars' services hereunder.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold Forvis Mazars harmless from any and all claims which arise from knowing misrepresentations to Forvis Mazars, or the intentional withholding or concealment of information from Forvis Mazars by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. To the extent allowed by law, but without any requirement that You establish or maintain a separate interest and sinking fund therefore, You also agree to indemnify Forvis Mazars for any claims made against Forvis Mazars by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** [Deleted]
8. **Limitation of Liability.** You agree that Forvis Mazars' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the gross negligence or intentional or willful misconduct of Forvis Mazars or if enforcement of this provision is disallowed by applicable law or professional standards.
9. **Waiver of Certain Damages.** Except with respect to claims of gross negligence or intentional or willful misconduct, or a

breach of confidentiality, in no event shall Forvis Mazars be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.

10. **Choice of Law.** You acknowledge and agree that any dispute arising out of or related to this contract shall be governed by the laws of the State of Texas, without regard to its conflict of laws principles.
11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**
12. **Severability.** In the event that any term or provision of this agreement shall be held to be invalid, void, or unenforceable, then the remainder of this agreement shall not be affected, and each such term and provision of this agreement shall be valid and enforceable to the fullest extent permitted by law.
13. **Assignment.** You acknowledge and agree that the terms and conditions of this contract shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.
14. **Disclaimer of Legal or Investment Advice.** Our services do not constitute legal or investment advice. You should seek the advice of legal counsel in such matters. Regulatory authorities may interpret circumstances differently than We do. In addition, the applicable laws, regulations, and regulators' enforcement activities may change over time.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** All audit and/or agreed-upon procedure reports generated by Us hereunder shall be Your property upon finalization of same. We acknowledge that the requirements of Chapter 552, Texas Government Code, as amended (the "Public Information Act"), and Chapters 201-205, Texas Local Government Code, as amended (the "Local Government Records Act," and together with the Public Information Act, the "Acts"), each apply to all public information, as defined by the Public Information Act, and all local government records, as defined by the Local Government Records Act, related to the relationship between the You and Us, and to any work carried out thereunder. We covenant that We will comply with all requirements of the Acts, Your Record

Management Program, and all applicable rules, regulations, policies, and retention schedules adopted thereunder.

You agree to assume full responsibility for maintaining Your original data and records and that Forvis Mazars has no responsibility to maintain this information. You agree You will not rely on Forvis Mazars to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to You unless separately engaged to do so. You understand that Your access to data, records, and information from Forvis Mazars' servers, i.e., Forvis Mazars portals used to exchange information, can be terminated at any time and You will not rely on using this to host Your data and records.

16. **Forvis Mazars Workpapers.** Our workpapers and documentation (except final audit and/or agreed-upon procedure reports) retained in any form of media for this engagement are the property of Forvis Mazars. We can be compelled to provide information under legal process. In addition, We may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless We are prohibited from doing so by law or regulation, Forvis Mazars will inform You of any such legal process or request. You agree We have no legal responsibility to You in the event We determine We are obligated to provide such documents or information.

We will cooperate with You in responding to any subpoena where Forvis Mazars is not a party and will provide You with a fee estimate based on the estimated time required to comply. You agree to compensate Forvis Mazars for the time expended complying with the subpoena or other legal process based on the agreed-upon estimates.

17. **Subpoenas or Other Legal Process.** In the event Forvis Mazars is required to respond to any such subpoena, court order, or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which Forvis Mazars is not a party, You shall compensate Forvis Mazars for all time We expend in connection with such response at normal and customary hourly rates and to reimburse Us for all out-of-pocket expenses incurred in regard to such response.
18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible. Draft documents are subject to potentially material changes until such time as they are marked final, and We shall not be liable to You in Your use of such draft documents.

Our report on any financial statements must be associated only with the financial statements that were the subject of Our engagement. You may make copies of Our report, but only if the entire financial statements (exactly as attached to Our report, including related footnotes) and any supplementary

information, as appropriate, are reproduced and distributed with Our report.

19. **Proprietary Information.** You acknowledge that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services We perform and were developed prior to Our association with You. Any new forms, software, documents, or intellectual property We develop during this engagement for Your use (except final audit and/or agreed-upon procedure reports) shall belong to Us, and You shall have the limited right to use them solely within Your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which We make available to You are confidential and proprietary to Us. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where We are providing services either for (a) an entity that is registered with the SEC, (b) an affiliate of such registrant, or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this contract that would be prohibited by or impair Our independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.
21. **Offering Document.** You may wish to include Our report(s) on financial statements in an exempt offering document. You agree that any report, including any auditor's report, or reference to Our firm, will not be included in any such offering document without notifying Us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by You with which We are not involved will clearly indicate that We are not involved by including a disclosure such as, "Forvis Mazars, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Forvis Mazars, LLP also has not performed any procedures relating to this offering document."

22. **Forvis Mazars Not a Municipal Advisor.** Forvis Mazars is not acting as Your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, Forvis Mazars is not recommending any action to You and does not owe You a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such matters with internal or external advisors and experts You deem appropriate before acting on any such information or material provided by Forvis Mazars.
23. **Forvis Mazars Not a Fiduciary.** In providing Our attest services, We are required by law and our professional standards to maintain our independence from You. We take

this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which You and the users of Our report require. As such, You should not place upon Us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree We are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

24. **Electronic Sites.** In the event You place Our report(s), including any reports on Your financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site, You agree to notify Us. You recognize that We have no responsibility to review information contained in electronic sites.
25. **Electronic Signatures and Counterparts.** This contract and other documents to be delivered pursuant to this contract may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this contract or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.
26. **Electronic Data Communication and Storage.** In the interest of facilitating Our services to You, We may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, We employ measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with Our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that We have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of these electronic devices and applications during this engagement.

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with Forvis Mazars in the performance of Forvis Mazars' services to You, including the provision to Forvis Mazars of reasonable facilities and timely access to Your data, information, and personnel. You shall be responsible for the performance of Your employees and agents.
28. **Third-Party Service Providers.** Forvis Mazars may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. Forvis Mazars maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, Forvis Mazars will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to Forvis Mazars sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor Forvis Mazars shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
30. **Use of Forvis Mazars Name.** Any time You intend to reference Forvis Mazars' firm name in any manner in any published materials, other than in connection with Our audit report or other deliverables, You agree to provide Us with draft materials for review and approval before publishing or posting such information.
31. **Network.** Forvis Mazars is a Delaware limited liability partnership and an independent member of Forvis Mazars Global, Ltd., a leading global professional services network. Forvis Mazars Global, Ltd. is a United Kingdom company limited by guarantee and does not provide any services to clients.
32. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and Forvis Mazars and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and Forvis Mazars.
33. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order, or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay-at-home orders, and curfews.
34. **Representations.** (a) As required by Chapter 2271, Government Code, We represent that We, including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of Us, do not boycott Israel and will not boycott Israel through the term of this engagement. The term "boycott Israel" in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.
- (b) Pursuant to Chapter 2252, Texas Government Code, We represent and certify that, at the time of execution of this contract, neither We, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.
- (c) To the extent the engagement to which this Terms and Conditions Addendum is attached has a value of \$100,000 or more, pursuant to Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), as amended, We hereby verify that We, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of Us, does 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" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code.
- (d) To the extent the engagement to which this Terms and Conditions Addendum is attached has a value of \$100,000 or more, pursuant to Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session), as amended, We hereby verify that We, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Us: (i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. As used in the foregoing verifications, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Forvis Mazars, LLP
Houston, TX United States

Certificate Number:
2024-1198181

Date Filed:
08/08/2024

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Waller County Municipal Utility District No. 35

Date Acknowledged:
08/15/2024

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

08122024

Agreed-upon procedures engagement relative to the District's Series 2024 Bonds

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Cole, Abe	Springfield, MO United States	X	
	Graham, Frank	Charlotte, NC United States	X	
	Snow, Matt	Charlotte, NC United States	X	
	Watson, Tom	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Forvis Mazars, LLP
Houston, TX United States

Certificate Number:
2024-1198181

Date Filed:
08/08/2024

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Waller County Municipal Utility District No. 35

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

08122024

Agreed-upon procedures engagement relative to the District's Series 2024 Bonds

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Cole, Abe	Springfield, MO United States	X	
	Graham, Frank	Charlotte, NC United States	X	
	Snow, Matt	Charlotte, NC United States	X	
	Watson, Tom	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

☐

6 UNSWORN DECLARATION

My name is BRIAN K. KRUEGER, and my date of birth is 04/11/67.

My address is 2700 POST OAK BLVD., SUITE 1500, HOUSTON, TX, 77056, USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in HARRIS County, State of TEXAS, on the 12th day of AUGUST, 20 24.
(month) (year)

Brian K. Krueger

Signature of authorized agent of contracting business entity
(Declarant)

Exhibit G

Summary of Bid Results – Road Bonds

Bids Comparison Waller County Municipal Utility District No. 35 \$2,385,000 Unlimited Tax Road Bonds, Series 2024

RBC Capital Markets - Dallas, TX			SAMCO Capital Markets - Dallas, TX			Northland Securities, Inc. - Minneapolis, MN			HilltopSecurities - Dallas, TX		
Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon	Maturity	Amount	Coupon
9/1/2026	50	6.500%	9/1/2026	50	6.500%	9/1/2026	50	6.500%	9/1/2026	50	5.000%
9/1/2027	55	6.500%	9/1/2027	55	6.500%	9/1/2027	55	6.500%	9/1/2027	55	6.000%
9/1/2028	55	6.500%	9/1/2028	55	6.500%	9/1/2028	55	6.500%	9/1/2028	55	6.000%
9/1/2029	60	6.500%	9/1/2029	60	6.500%	9/1/2029	60	6.500%	9/1/2029	60	6.000%
9/1/2030	60	6.500%	9/1/2030			9/1/2030			9/1/2030	60	6.000%
9/1/2031	65	5.000%	9/1/2031	125	6.500%	9/1/2031	125	6.500%	9/1/2031		
9/1/2032			9/1/2032			9/1/2032			9/1/2032	135	6.000%
9/1/2033			9/1/2033	140	6.500%	9/1/2033	140	6.000%	9/1/2033		
9/1/2034	215	5.000%	9/1/2034			9/1/2034			9/1/2034		
9/1/2035			9/1/2035	155	4.000%	9/1/2035			9/1/2035	225	6.000%
9/1/2036			9/1/2036			9/1/2036	235	4.000%	9/1/2036		
9/1/2037	245	5.000%	9/1/2037	165	4.000%	9/1/2037	85	4.000%	9/1/2037		
9/1/2038			9/1/2038			9/1/2038	90	4.000%	9/1/2038		
9/1/2039	185	4.000%	9/1/2039	185	4.000%	9/1/2039	95	4.000%	9/1/2039		
9/1/2040	100	4.000%	9/1/2040	100	4.000%	9/1/2040	100	4.000%	9/1/2040	450	4.000%
9/1/2041	105	4.000%	9/1/2041	105	4.000%	9/1/2041	105	4.125%	9/1/2041		
9/1/2042	110	4.000%	9/1/2042	110	4.000%	9/1/2042	110	4.125%	9/1/2042		
9/1/2043	115	4.000%	9/1/2043	115	4.000%	9/1/2043	115	4.125%	9/1/2043		
9/1/2044	120	4.000%	9/1/2044	120	4.000%	9/1/2044	120	4.125%	9/1/2044		
9/1/2045	125	4.000%	9/1/2045	125	4.125%	9/1/2045	125	4.250%	9/1/2045	575	4.250%
9/1/2046	130	4.000%	9/1/2046	130	4.125%	9/1/2046	130	4.250%	9/1/2046		
9/1/2047			9/1/2047	135	4.125%	9/1/2047	135	4.250%	9/1/2047		
9/1/2048	280	4.000%	9/1/2048	145	4.125%	9/1/2048	145	4.250%	9/1/2048		
9/1/2049			9/1/2049	150	4.125%	9/1/2049	150	4.250%	9/1/2049		
9/1/2050	310	4.125%	9/1/2050	160	4.125%	9/1/2050	160	4.375%	9/1/2050	720	4.250%
NIC:	4.417873%		NIC:	4.424010%		NIC:	4.513761%		NIC:	4.587552%	

Bid Confirmation

BAIRD

Closing Date: September 11, 2024

Paying Agent: The Bank of New York Mellon

Bond Discount Allowed: 3.00%

Call Date: September 1, 2030

Bank-Qualified: No

Winning Bidder - Utility

Bond Discount Taken: 3.000000%

NIC: 4.414218%

Insurance: AG; \$28,080.00

Good Faith: ✓

Standing Letter Requirement: ✓

Winning Bidder - Road

Bond Discount Taken: 3.000000%

NIC: 4.417873%

Insurance: AG; \$57,240.00

Good Faith: ✓

Standing Letter Requirement: ✓

Exhibit H

ORDER AUTHORIZING THE ISSUANCE OF
\$2,385,000 UNLIMITED TAX ROAD BONDS, SERIES 2024

BE IT ORDERED BY THE BOARD OF DIRECTORS OF WALLER COUNTY
MUNICIPAL UTILITY DISTRICT NO. 35:

ARTICLE ONE

STATUTORY AUTHORITY, RECITALS AND FINDINGS

SECTION 1.01: AUTHORITY FOR THE DISTRICT. Waller County Municipal Utility District No. 35 (the "District"), was organized, created and established as a conservation and reclamation district by an act of the 86th Texas Legislature, effective June 10, 2019, codified as Chapter 8071, Texas Special District Local Laws Code (the "Act") pursuant to the provisions of Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution, and operates pursuant to Chapter 49 and Chapter 54, V.T.C.A. Water Code, as amended (the "Water Code") and the Act.

SECTION 1.02: PURPOSES OF THE DISTRICT. The District was created and operates by and pursuant to the Water Code and the Act for the following purposes:

- (a) the control, storage, preservation and distribution of its storm water and floodwater, the water of its rivers and streams for irrigation, power, and all other useful purposes;
- (b) the reclamation and irrigation of its arid, semiarid, and other land needing irrigation;
- (c) the reclamation and drainage of its overflowed land and other land needing drainage;
- (d) the conservation and development of its forests, water, and hydroelectric power;
- (e) the navigation of its inland and coastal water;
- (f) the control, abatement, and change of any shortage or harmful excess of water;
- (g) the protection, preservation and restoration of the purity and sanitary condition of water within the state; and
- (h) the preservation of all natural resources of the state.

SECTION 1.03: POWERS OF THE DISTRICT. The District is authorized by the Water Code and the Act to:

- (a) purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside and outside its boundaries any and all land, works, improvements, facilities, plants, equipment and appliances necessary to accomplish the purposes of its creation, including all works, improvements, facilities, plants, equipment and appliances incident, helpful, or necessary to:
 - (i) supply water for municipal uses, domestic uses, power and commercial purposes and all other beneficial uses or controls;
 - (ii) collect, transport, process, dispose of and control all domestic, industrial, or communal wastes whether in fluid, solid, or composite state;
 - (iii) gather, conduct, divert, and control local storm water or other local harmful excesses of water in the District;
 - (iv) irrigate the land in the District;
 - (v) alter land elevation in the District where it is needed;
 - (vi) navigate coastal and inland waters of the District;
- (b) finance, develop and maintain recreational facilities for the people of the District, if and as allowed by applicable law; and
- (c) design, acquire, construct, finance and issue bonds for roads, under the authority of Article III, Section 52, Texas Constitution, Chapter 54 of the Water Code, as amended, and the Act.

SECTION 1.04: AUTHORITY OF THIS ORDER. The District is authorized by the Act, and Article III, Section 52, of the Texas Constitution, to design, acquire, construct, finance, issue bonds for, and convey to this state, a county, or a municipality for operation and maintenance, a road or any improvement thereto, which meets the criteria of a county in whose jurisdiction the proposed road project is located or the criteria of a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located, if the municipality or county that will operate and maintain the road has approved the plans and specifications of the road project or if the Texas Transportation Commission has approved the plans and specifications of the road project, if the state is to operate and maintain the road, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District. Said bonds are authorized by the Act, the Water Code and by V.T.C.A. Government Code, §1201.001 *et seq.*, as amended, to be issued in various series or issues, with or without interest coupons, in any denomination, payable at such time or times, in such amount or amounts or installments, at such

place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as determined by the Board of Directors of the District, and the Board of Directors finds that issuance of said bonds in multiple series or issues over an extended period of time is in the best interests of the District in order to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical.

SECTION 1.05: FINDINGS. It is hereby found, determined and declared that:

- (a) the matters and facts set out in this Article One are true and correct;
- (b) the creation of the District was confirmed at an election held within and for the District on November 2, 2021;
- (c) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$290,905,000 for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending a waterworks system, a sanitary sewer system and a drainage and storm sewer system, including, but not limited to, all additions to such systems and all land, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;
- (d) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$64,650,000 for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending recreational facilities, including, but not limited to, all additions to such facilities and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;
- (e) at an election held within and for the District on November 2, 2021, the District was authorized to issue bonds in the maximum aggregate principal amount of \$131,600,000 for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of these roads, including, but not limited to, all additions to such facilities, and all land, improvements, facilities, equipment, appliances, interests in property and contract

rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of a sufficient tax upon all taxable property within the District;

- (f) at an election held within and for the District on November 2, 2021, the District was authorized to issue refunding bonds in the maximum aggregate principal amount of (i) \$290,905,000 to provide for the refunding by any lawful means of all or any portion of the Bonds (hereinafter defined), Additional Bonds (hereinafter defined) or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (c) of this Section, (ii) \$64,650,000 to provide for the refunding by any lawful means of all or any portion of Additional Bonds or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (d) of this Section, and (iii) \$131,600,000 to provide for the refunding by any lawful means of all or any portion of Additional Bonds or refunding bonds payable in whole or in part from taxes and issued for the purposes described in subsection (e) of this Section;
- (g) the elections described in paragraphs (b), (c), (d), (e) and (f) hereof were called and held under and in strict conformity with the Constitution and laws of the State of Texas and of the United States of America, and the Board of Directors of the District has heretofore officially declared the results of said elections and declared that the District was legally created and authorized to issue the bonds described in paragraphs (c), (d), (e), and (f) above;
- (h) pursuant to the authority of the election held November 2, 2021, as described in paragraph (e) above, the District has heretofore issued its \$4,210,000 Unlimited Tax Road Bonds, Series 2023, dated as of December 1, 2023 (the "Series 2023 Road Bonds") to finance the acquisition and construction of road facilities to serve land within the District and, as of the date hereof, there remains outstanding and unpaid \$4,210,000 in aggregate principal amount of the Series 2023 Road Bonds (the "Outstanding Bonds");
- (i) in addition to the Outstanding Bonds, and pursuant to the authority of the election held November 2, 2021, as described in paragraph (c) above, the District anticipates the issuance of its \$1,170,000 Unlimited Tax Bonds, Series 2024, to be dated as of September 1, 2024 (the "Series 2024 Bonds"), simultaneously with the issuance of the Bonds to finance the acquisition and/or construction of water, sanitary sewer, and storm drainage improvements to serve land within the District;
- (j) the \$2,385,000 bonds authorized by this Order should be issued pursuant to the authority of the election held on November 2, 2021, as described in paragraph (e) above for the acquisition and/or construction of road facilities to serve land within

the District and land acquisition related to same, and to pay certain other costs and expenses relating to the issuance of the Bonds;

- (k) the District has been authorized to levy taxes in payment of the Bonds, and the taxes to be levied and collected will be sufficient to pay the principal of the Bonds herein authorized as it becomes due and the interest thereon as it accrues and becomes payable; and
- (l) the Board of Directors reserves the right to issue the remaining \$289,735,000 (assuming the simultaneous issuance of the Series 2024 Bonds) unissued bonds which were authorized at the election held on November 2, 2021, as described in paragraph (c) hereof, the remaining \$64,650,000 unissued bonds which were authorized at the election described in paragraph (d) hereof, the remaining \$125,005,000 unissued bonds which were authorized at the election described in paragraph (e) hereof (assuming issuance of the Bonds), and the remaining \$290,905,000, \$64,650,000, and \$131,600,000 unissued bonds which were authorized at the election described in paragraph (f) hereof, in one or more series, at a future date or dates when, in the judgment of the Board of Directors, such amounts are required for authorized purposes.

(End of Article One)

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

SECTION 2.01: DEFINITIONS. The following definitions, together with any supplemental definitions contained herein or in any exhibit hereto, shall apply with equal force herein and in any amendment or supplement hereto, and the scope and meaning of terms used in Exhibit "A", Exhibit "B" and Exhibit "C" hereto, whether or not defined therein, shall be determined by reference to this Article.

Act.

The term "Act" is defined in Section 1.01 hereof.

Additional Bonds.

The term "Additional Bonds" shall mean any additional bonds, including bonds payable in whole or in part from taxes, revenue bonds, contract revenue bonds, special project revenue bonds, refunding bonds and other bonds which the Board of Directors expressly reserves the right to issue in Article Nine of this Order.

Authorized Investments.

The term "Authorized Investments" shall mean all instruments which are authorized under the District's policies for investment of funds of the District adopted by the Board of Directors of the District from time to time, but in any event, all such instruments shall be authorized under the laws of the State of Texas for investment of funds of municipal utility districts.

Board of Directors.

The term "Board of Directors" shall mean the governing body of the District, as now or hereafter constituted.

Bond Counsel.

The term "Bond Counsel" shall mean the law firm of Schwartz, Page & Harding, L.L.P., Houston, Texas.

Bond Fund.

The term "Bond Fund" shall mean the District's debt service fund created and established pursuant to the Prior Bond Order.

Bond Fund Road Bond Account.

The term "Bond Fund Road Bond Account" shall mean the special account created and established pursuant to the Prior Bond Order.

Bonds.

The term "Bond" or "Bonds" shall mean any Bond or Bonds, as the case may be, of the issue of \$2,385,000 Unlimited Tax Road Bonds, Series 2024, initially dated as of September 1, 2024, and authorized, issued and delivered pursuant to this Order.

Business Day.

The term "Business Day" or "Business Days" shall mean any calendar day or days which fall on Monday through Friday, but shall not include any such day which is designated as an official state or national holiday or a day on which financial institutions where the Paying Agent is located are authorized or required by state or national law or by executive order to close.

Construction Fund.

The term "Construction Fund" shall mean the District's construction fund created and established pursuant to the Prior Bond Order.

Delivery Date.

The term "Delivery Date" shall mean, with respect to any one or more of the Bonds, the date of delivery of such Bond(s) to the Initial Purchaser thereof, as printed, stamped, or typed on the Initial Bonds.

DTC.

The term "DTC" means the Depository Trust Company of New York, New York, or any successor securities depository.

DTC Participant.

The term "DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC holds securities to facilitate the clearance and settlement of securities transactions among such DTC Participants.

District.

The term "District" is defined in Article One hereof and shall mean and include any successors and assigns of the District and, where appropriate, shall refer to the Board of Directors of the District.

Fiscal Year.

The term "Fiscal Year" shall mean the annual period from June 1 through May 31, or such other period as may hereafter be established by resolution of the Board of Directors of the District.

Holder.

The term "Holder" or "Holders" shall mean, when used with respect to any Bond, the Person or Persons in whose name such Bond is registered on the Register.

Initial Bonds.

The term "Initial Bond" or "Initial Bonds" shall mean any one or more of the Bonds authorized, issued and initially delivered hereunder upon which the manually executed certificate of registration of the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized deputy, substantially in the form prescribed in Section 5.03 hereof, has been placed.

Initial Date.

The term "Initial Date" shall mean September 1, 2024.

Initial Purchaser.

The term "Initial Purchaser" shall mean the Person or Persons to whom the Bonds are to be sold and delivered, as provided in Section 13.01 hereof.

Interest Payment Date.

The term "Interest Payment Date" shall mean the date on which interest on any then outstanding Bond is due and payable, as provided in Section 3.04 hereof.

Letter of Representation.

The term "Letter of Representation" shall mean the Blanket Issuer Letter of Representations between the District and DTC, as same may be amended or supplemented from time to time.

Maturity Date.

The term "Maturity Date" shall mean any date on which the principal of any then outstanding Bond is due and payable, as provided in Section 3.03 hereof.

Net Proceeds.

Except as said term is otherwise specifically defined for purposes of Section 8.01 hereof, the term "Net Proceeds" shall mean all proceeds received by the District from the sale of the Bonds, except those proceeds deposited into the Bond Fund Road Bond Account pursuant to the provisions of Section 7.04 hereof.

Order.

The term "Order" shall mean this Order and all amendments or supplements hereto.

Outstanding Bonds.

The term "Outstanding Bonds" is defined in Section 1.05 hereof.

Paying Agent.

The term "Paying Agent" shall mean the Person selected and maintained from time to time by the District for the purpose of making payment on behalf of the District of the principal of and the interest on the Bonds, as provided in Section 12.06 of this Order.

Person.

Except as said term is otherwise specifically defined for purposes of Section 8.01 hereof, the term "Person" shall mean any individual, corporation, partnership, firm, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

Predecessor Bonds.

The term "Predecessor Bonds" shall mean, with respect to any particular Bond, every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond, and, for the purposes of this definition, any Bond registered and delivered pursuant to Section 3.10 hereof shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Bond in lieu of which such Bond was delivered.

Prior Bond Order.

The term "Prior Bond Order" shall mean the order of the Board of Directors of the District authorizing the issuance of the Series 2023 Road Bonds, and amendments and supplements thereto, if any.

Record Date.

The term "Record Date" shall mean, with respect to an Interest Payment Date of March 1, the preceding February 15, and with respect to an Interest Payment Date of September 1, the preceding August 15, whether or not such dates are Business Days.

Redemption Date.

The term "Redemption Date" shall mean, when used with respect to any Bond to be redeemed prior to its Maturity Date, the date fixed for redemption of such Bond pursuant to the terms of this Order.

Register.

The term "Register" shall mean the registry books maintained on behalf of the District by a Registrar designated by the District for such purpose in which are maintained the names and addresses of Holders and the principal amounts of the Bonds registered in the name of each Holder.

Registrar.

The term "Registrar" shall mean the trust or banking corporation or association designated and acting in such capacity from time to time, as provided in Section 12.05 of this Order.

Road Bonds.

The term "Road Bond" shall mean the Bonds and any Additional Bonds issued for the purposes of designing, acquiring, constructing, financing, improving, operating and maintaining the Road System, and any related refunding bonds, whether hereunder or hereafter issued, sold and delivered by the District.

Road Construction Fund Account.

The term "Road Construction Fund Account" shall mean the special account created and established pursuant to the Prior Bond Order.

Road System.

The term "Road System" shall mean a system of road facilities, or facilities in aid thereof, to serve the District, including but not limited to, all additions to such facilities, and all land, improvements, facilities, equipment, appliances, interest in property and contract rights needed therefor, and administrative facilities needed in connection therewith, now owned or hereafter purchased, constructed or otherwise acquired, and all extensions and replacements thereof and improvements thereto whensoever made.

Serial Bonds.

The term "Serial Bond" or "Serial Bonds" shall mean any one or more as the case may be of the Bonds issued hereunder as serial bonds, which have Maturity Dates in the years 2026 through 2031, inclusive, and 2040 through 2046, inclusive, and which are not subject to mandatory redemption pursuant to Section 4.01 hereof.

Series 2023 Road Bonds.

The term "Series 2023 Road Bonds" is defined in Section 1.05 hereof.

Term Bonds.

The term "Term Bond" or "Term Bonds" shall mean one or more, as the case may be, of the Bonds issued hereunder as term bonds which have a Maturity Date in the years 2034, 2037, 2039, 2048, and 2050, and which are subject to mandatory redemption pursuant to Section 4.01 hereof.

Water Code.

The term "Water Code" is defined in Article One hereof.

SECTION 2.02: INTERPRETATIONS; TIME OF PERFORMANCE. The titles and headings of the articles and sections of this Order have been inserted 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 or 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 taxes levied in payment thereof. Unless a time period specified for performance of any action under this Order is specified to be a Business Day or Business Days, such performance time period means the number of calendar days for such performance to be accomplished.

(End of Article Two)

ARTICLE THREE

AUTHORIZATION, DESCRIPTION AND EXECUTION OF BONDS

SECTION 3.01: AMOUNT, NAME, PURPOSE AND AUTHORIZATION. The Bonds of the District, to be known and designated as "Waller County Municipal Utility District No. 35 Unlimited Tax Road Bonds, Series 2024", shall be issued in the aggregate principal amount of Two Million Three Hundred Eighty Five Thousand Dollars (\$2,385,000) for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of these roads, including, but not limited to, all additions to such facilities and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, all under and in strict conformity with the Constitution and laws of the State of Texas, including, particularly, Section 52 of Article III of the Constitution of Texas and the Water Code.

SECTION 3.02: FORM, INITIAL DATE, DELIVERY DATE, NUMBERS AND DENOMINATIONS. The Initial Bonds shall be issued and delivered in fully registered form, without interest coupons, and shall be dated as of the Initial Date. Each Initial Bond submitted for approval, registration and delivery in accordance with Section 3.07 hereof shall be numbered "IR-", followed by the last two digits of the year of the Maturity Date of such Initial Bond, and shall be completed with the Delivery Date. Each Bond registered and delivered subsequent to the Initial Bonds shall be dated as of the Initial Date and shall include thereon the Delivery Date. Each such Bond shall be numbered consecutively, in succession, beginning with the numeral "1", which shall be preceded by the prefix "R", and shall be in denominations of \$5,000, or any integral multiple thereof.

SECTION 3.03: INTEREST RATES AND MATURITY DATES. The Bonds shall include both Serial Bonds and Term Bonds, as provided below.

- (a) Bonds in the aggregate principal amount of \$1,150,000 shall be issued as Serial Bonds, shall bear interest from the later of the Delivery Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to prior redemption in accordance with the provisions of Article Four hereof, on September 1 in each of the years and in the principal amounts set forth in the schedule below:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$50,000	2026	6.500%
\$55,000	2027	6.500%
\$55,000	2028	6.500%
\$60,000	2029	6.500%

\$60,000	2030	6.500%
\$65,000	2031	5.000%
\$100,000	2040	4.000%
\$105,000	2041	4.000%
\$110,000	2042	4.000%
\$115,000	2043	4.000%
\$120,000	2044	4.000%
\$125,000	2045	4.000%
\$130,000	2046	4.000%

- (b) Bonds in the aggregate principal amount of \$1,235,000 shall be issued as Term Bonds, shall bear interest from the later of the Delivery Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates set forth in the following schedule, and shall mature and become payable, subject to mandatory and optional redemption in accordance with the provisions of Article Four hereof, on September 1 in the year and in the principal amounts set forth in the schedule below:

<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$215,000	2034	5.000%
\$245,000	2037	5.000%
\$185,000	2039	4.000%
\$280,000	2048	4.000%
\$310,000	2050	4.125%

SECTION 3.04: DATES AND MANNER OF PAYMENT OF INTEREST.

Interest on the Bonds shall be payable semiannually on March 1 and September 1 of each year, commencing on March 1, 2025, until payment of the principal thereof has been made or duly provided for. The amount of interest on the Bonds payable on each Interest Payment Date, Maturity Date or Redemption Date shall be computed on the basis of a 360-day year of twelve 30-day months. Not later than ten (10) days before each Interest Payment Date, Maturity Date or Redemption Date, the Paying Agent shall compute the amount of interest to be due and payable on such date and shall send to the District notice of the amount so computed to be due and payable on such date.

The payments of interest on the Bonds shall be payable, at the option of the District, by check mailed by the Paying Agent to the Holder, at the address shown on the Register, or by such other customary banking arrangements as may be acceptable to the Paying Agent and the Holder, at the risk and expense of such Holder. The interest so payable on any Interest Payment Date will be paid to the Person in whose name each Bond (or one or more Predecessor Bonds evidencing the same obligation) is registered at the close of business on the Record Date for such Interest Payment Date. Each Bond delivered pursuant to the terms of this Order upon transfer or in exchange for or in lieu of any Predecessor Bond shall carry all the rights to interest, both accrued and unpaid, and to accrue, which were carried by such Predecessor Bond, and each such

Bond shall bear or accrue interest as specified herein so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 3.05: MEDIUM AND PLACE OF PAYMENT AT MATURITY OR REDEMPTION. The principal of the Bonds payable at any Maturity Date or Redemption Date, shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which on such dates of payment is legal tender for the payment of debts due the United States of America, upon the presentation and surrender of such Bonds, as they become due or at their earlier Redemption Date, at the designated office of the Paying Agent.

SECTION 3.06: EXECUTION. The Bonds shall be signed on behalf of the District by the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District, and the District's seal shall be placed or impressed thereon. Such signatures may be manually executed or placed in facsimile on the Bonds, and the District's seal may be manually impressed or printed or otherwise mechanically reproduced in facsimile on the Bonds. In case any official of the District who shall have signed any of the Bonds, either manually or by facsimile signature, shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Registrar, or disposed of by the District, such Bonds, nevertheless, may be authenticated and delivered or disposed of as though the Person who signed such Bonds had not ceased to be such officer of the District, and any Bond may be signed on behalf of the District by such Person as, at the actual time of execution of such Bond, shall be a proper officer of the District, although at the date of such Bond or of the adoption of this Order, such Person was not such officer. Minor typographical and other minor errors in the text of any Bond or minor defects in the seal or facsimile signature on any Bond shall not affect the validity or enforceability of such Bond, if same has been duly authenticated by the Registrar or registered by the Comptroller of Public Accounts of the State of Texas, as required herein.

SECTION 3.07: APPROVAL, REGISTRATION AND DELIVERY. The Initial Bonds shall consist of one Bond for each year of maturity specified in Section 3.03 hereof, representing the entire principal amount of the Bonds scheduled to mature in each of such years of maturity, and shall be made payable to the Initial Purchaser, or its designee. The President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District and representatives of the District's Bond Counsel are each hereby authorized and directed to submit the Initial Bonds and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of Texas for approval and, following said approval, to submit the Initial Bonds to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bonds, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on each Initial Bond. After the Initial Bonds have been registered and signed by the Comptroller, they shall be delivered to the Registrar, completed with the Delivery Date and registered on the Register in the name of Cede & Co., as nominee of DTC, and thereafter shall be delivered to the Initial Purchaser or its designee, but only upon receipt of the full purchase price therefor.

At any time after delivery of the Initial Bonds, the Holder may, subject to the requirements of and in accordance with the procedures prescribed in Section 3.09 hereof, surrender any Bonds to the Registrar for transfer or exchange, accompanied by instructions specifying the name(s) and address(es) of the Person(s) to whom such Bonds are to be transferred and the principal amount(s) of the Bond(s) to be authenticated and delivered in exchange therefor, and the Registrar shall thereupon, within not more than three (3) Business Days, authenticate and register Bonds conforming to such instructions and the provisions of this Order.

No Initial Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Initial Bond a certificate of registration substantially in the form provided in Section 5.03 hereof, duly executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized deputy, by manual signature; nor shall any Bond authenticated and delivered subsequent to the Initial Bonds be so entitled or be valid or obligatory, unless there appears on such Bond a Certificate of Registrar substantially in the form provided in Section 5.02 hereof, duly executed by an authorized officer or employee of the Registrar, by manual signature. Such Certificate of Registrar upon any Bond authenticated and delivered subsequent to the Initial Bonds shall be conclusive evidence that such Bond has been so certified or registered and delivered.

SECTION 3.08: OWNERSHIP OF BONDS. The District, the Paying Agent, 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 thereof and interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the District, the Paying Agent, 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 3.08 shall be valid and effective for all purposes and shall discharge the liability of the District, the Paying Agent and the Registrar to the extent of the sums paid.

SECTION 3.09: REGISTRATION, TRANSFER AND EXCHANGE. So long as any Bonds remain outstanding, the Registrar shall keep and maintain at its designated office a Register in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration, transfer and exchange of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the office designated by the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative. Within three (3) Business Days following due presentation for registration of the transfer of any Bond, the District shall cause to be executed and the Registrar shall authenticate in the name of the transferee or transferees one or more exchange Bonds in a like aggregate principal amount and a like interest rate and shall deliver or mail same to the transferee or transferees by United States mail, first class, postage prepaid.

All Serial Bonds shall be exchangeable upon the presentation and surrender thereof at the office designated by the Registrar for a Serial Bond or Serial Bonds having the same maturity and interest rate, in any authorized denomination, and in an aggregate principal amount equal to the unpaid principal amount of the Serial Bond or Serial Bonds presented for exchange. Within three (3) Business Days following due presentation for exchange of any Serial Bond, the District shall cause to be executed and the Registrar shall authenticate, register and deliver or send to the Holder, by United States mail, first class, postage prepaid, exchange Serial Bonds in accordance with the provisions of this Section 3.09. Except as provided in Section 3.12 hereof, a Term Bond is not exchangeable so long as it is registered in the name of Cede & Co., as nominee of DTC.

Each Bond transferred or exchanged and duly authenticated and delivered in accordance with this Section 3.09 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 exchange Bond is delivered. No service charge shall be made for any transfer or exchange referred to above, but the District or the Registrar may require the Holder of any Bond to pay a sum sufficient to pay any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond.

The Registrar shall not be required to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of, notice of redemption of Bonds prior to maturity, nor shall the Registrar be required to transfer or exchange any Bond selected for redemption in whole or in part when such Redemption Date is scheduled to occur within thirty (30) calendar days.

SECTION 3.10: REPLACEMENT BONDS. Upon the presentation and surrender to the Registrar of a mutilated Bond, the District shall cause to be executed, and the Registrar shall authenticate, register and deliver in exchange therefor, a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding. In the event that 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 actual notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall cause to be executed, and the Registrar shall authenticate, register and deliver, a replacement Bond of like tenor, interest, and principal amount bearing a number not contemporaneously outstanding, provided that the Holder thereof shall have:

- (a) furnished to the Registrar and the District satisfactory evidence of the ownership and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnished such security or indemnity as may be required by the Registrar, the District and the Paying Agent to save the District, the Registrar and the Paying Agent harmless;

- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees and expenses of the Registrar, the District and Paying Agent and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the District, the Registrar and the Paying Agent.

If, after the delivery of such 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, the Registrar and the Paying Agent shall be entitled to recover upon 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, the Registrar and the Paying Agent in connection therewith.

In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent, with the concurrence of the Registrar, in their discretion, may pay such Bond, in lieu of issuance of a replacement Bond.

Each replacement Bond delivered in accordance with this Section 3.10 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.

SECTION 3.11: BOOK-ENTRY ONLY SYSTEM. Notwithstanding the foregoing, the Initial Bonds and all subsequent Bonds shall be registered in the name of Cede & Co., as nominee of DTC, except as provided in Section 3.12 hereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District, the Paying Agent 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. In particular, and not by way of limiting the foregoing, the District, the Paying Agent and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Holder, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than a Holder, as shown in the Register, any amount with respect to the principal of or the premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District, the Paying Agent and the Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered on the Register as the absolute owner of such Bond for the purpose of payment of the principal of and the premium, if any, and interest on such Bond; for the purpose of giving notices of redemption and other matters with respect to such Bond; for the purpose of registering transfers with respect to such Bond; and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Holders, as shown on the Register and 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 the payment of the principal of and the premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in Section 3.12 hereof, no Person, other than a Holder, as shown on the Register, shall be issued an exchange Bond pursuant to this Order. Upon delivery by DTC to the Paying Agent and 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 of this Order with respect to interest payments to the Holders as of the close of business on a Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and the premium, if any, and interest on such Bond, and all notices with respect to such Bond, shall be made and given, respectively, in the manner provided in the Letter of Representation. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds, or portions thereof, to be redeemed in whole or in part from within each such maturity shall be selected by DTC from the Bonds, or portions thereof, which have not previously been called for redemption in accordance with the procedures of DTC notwithstanding any other provision of this Order to the contrary.

SECTION 3.12: SUCCESSOR SECURITIES DEPOSITORY; TRANSFER OUTSIDE BOOK-ENTRY ONLY SYSTEM. In the event that the District, in its sole discretion, determines that the beneficial owners of the Bonds should be able to obtain exchange Bonds, the District shall notify DTC and the DTC Participants, as identified by DTC, of the availability through the Registrar of exchange Bonds and cause the registration and transfer of one or more exchange Bonds to the DTC Participants having Bonds credited to their DTC accounts, as identified by DTC, but only upon presentation of surrender of the Bonds to be exchanged, upon receipt of proper proof of the ownership interests of the DTC Participants, and integral multiples of \$5,000 in principal amount; provided, however, that in such event, each Term Bond shall be exchangeable only for one or more Serial Bonds bearing the same rate of interest and corresponding in aggregate principal amounts and Maturity Dates to the unpaid mandatory redemption amounts and Redemption Dates applicable to such Term Bond pursuant to Section 4.01 hereof, with the particular Maturity Date applicable to any such exchange Serial Bond to be determined by the Registrar by lot or other customary method. In the event DTC discontinues the services described herein, the District shall 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 and the DTC Participants, as identified by DTC, of the appointment of such successor securities depository; and cause the registration and transfer of one or more exchange Bonds to such successor securities depository. In either such event, the Bonds shall no longer be restricted to being registered on 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 Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

SECTION 3.13: **CANCELLATION.** All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are executed, authenticated, registered and delivered in accordance with Section 3.09 or Section 3.10 of this Order, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement and shall be treated in accordance with the document retention policies of the Paying Agent and the records retention schedules of the District. The Paying Agent and Registrar shall periodically furnish the District with certificates of cancellation of such Bonds, upon written request therefor.

(End of Article Three)

ARTICLE FOUR

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 4.01: A. MANDATORY REDEMPTION OF TERM BONDS.

Term Bonds with Maturity Dates of September 1, 2034, 2037, 2039, 2048, and 2050, shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the Redemption Date, on September 1 in each of the years and in the principal amounts set forth in the following schedule, with the particular portions of such Term Bonds to be redeemed to be selected by the Registrar or DTC, as applicable, from the portions of the Term Bonds which have not previously been redeemed by the District, by lot or other customary method:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$70,000
2033	\$70,000
2034 (Maturity)	\$75,000
2035	\$80,000
2036	\$80,000
2037 (Maturity)	\$85,000
2038	\$90,000
2039 (Maturity)	\$95,000
2047	\$135,000
2048 (Maturity)	\$145,000
2049	\$150,000
2050 (Maturity)	\$160,000

Notwithstanding the foregoing, to the extent that Term Bonds of a particular maturity have been previously redeemed in part through the exercise of the District's reserved right of optional redemption, as provided below, each of the aforesaid scheduled mandatory redemption payments for the Term Bonds of such maturity shall be reduced in each such instance of prior redemption, as specified in the District's notice to the Paying Agent as provided below.

B. OPTIONAL REDEMPTION OF BONDS. The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2031, prior to their scheduled maturities, in whole or, from time to time, in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed plus accrued interest on said principal amount thereof called for redemption to the Redemption Date. The District shall, at least forty-five (45) calendar days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Registrar and Paying Agent), notify the Registrar and Paying Agent of such Redemption Date and of the principal amount of the Bonds of each maturity to be redeemed. If less than all of the Serial Bonds of the same maturity are to be redeemed, the

particular Serial Bonds to be redeemed in whole or in part from within each such maturity shall be selected by the Registrar or DTC, as applicable, from the Serial Bonds which have not previously been called for redemption, by lot or other customary method; provided, however, that in the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000 or an integral multiple thereof. The Registrar shall promptly notify the District and the Paying Agent, if different than the Registrar, in writing, of the Serial Bonds selected for redemption and, in the case of any Serial Bond selected for partial redemption, of the principal amount thereof to be redeemed. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District shall notify the Paying Agent at least forty-five (45) calendar days prior to the Redemption Date of the reductions in the remaining mandatory redemption amounts to result from such optional redemption.

For purposes of this Order, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal amount of such Bond which has been or is to be redeemed. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 3.09 of this Order, shall authenticate, register and deliver an exchange Bond or Bonds of like interest rate and in aggregate principal amount equal to the unredeemed portion of the Bond so surrendered; provided, however, that the foregoing shall not apply to Bonds registered as set forth in Section 3.11 of this Order.

SECTION 4.02: NOTICE OF REDEMPTION. Notice of the selection of any Bonds for redemption pursuant to Section 4.01 above is hereby directed to be given by the Registrar, without any further instruction or notice from the District, at least thirty (30) calendar days prior to the Redemption Date. Notice shall be given by first class United States mail, postage prepaid, to the Holder of each Bond to be redeemed in whole or in part at the address shown on the Register on the date which is forty-five (45) calendar days prior to the Redemption Date. Such notice shall state the Redemption Date, the redemption price, the principal amounts of the Bonds to be redeemed and, if less than all of the then outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemptions within a maturity, the respective principal amounts) of the Bonds to be redeemed, the amount of accrued interest payable on the Redemption Date and the place at which the Bonds are to be surrendered for payment. Any notice mailed as provided in this Section 4.02 shall be conclusively presumed to have been duly given, whether or not the Holder actually receives such notice. Except as otherwise provided in Section 11.03 of this Order, no other notice of the reserved right of redemption shall be given unless otherwise required by law.

By the Redemption Date, due provision shall be made with the Paying Agent for the payment of the principal of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date. When Bonds have been called for redemption, in whole or in part, as provided above, and due provision has been made to redeem same, such Bonds or portions thereof, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the right of the Holders to collect interest which

would otherwise accrue after the Redemption Date upon the principal of such Bonds or the portions thereof so called for redemption shall be terminated.

(End of Article Four)

ARTICLE FIVE

FORM OF BONDS AND INSURANCE

SECTION 5.01: FORM OF BONDS. The Bonds authorized by this Order, including the registration certificate of the Comptroller of Public Accounts of the State of Texas or Registrar, as applicable, and form of assignment shall be in substantially the forms specified in Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for all purposes, with such omissions, insertions and variations as may be necessary or desirable and consistent with the terms of this Order.

SECTION 5.02: CERTIFICATE OF REGISTRAR. The form of Certificate of Registrar specified in Exhibit "B" attached hereto shall be printed on or attached to each of the Bonds authenticated, registered and delivered subsequent to the Initial Bonds.

SECTION 5.03: REGISTRATION OF BONDS BY STATE COMPTROLLER AND CERTIFICATE. The Initial Bonds shall be registered by the Comptroller of Public Accounts of the State of Texas, as provided by law. In lieu of the Certificate of Registrar specified in Section 5.02 hereof, the registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed or typed on or attached to each of the Initial Bonds and shall be in substantially the form specified in Exhibit "A" attached hereto.

SECTION 5.04: FORM OF ASSIGNMENT. The form of Assignment specified in Exhibit "A" and Exhibit "B" attached hereto shall be printed at the back of or attached to each of the Bonds.

SECTION 5.05: CUSIP REGISTRATION. The officers and representatives of the District may secure the printing of identification numbers on the Bonds through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association.

SECTION 5.06: LEGAL OPINION. The approving opinion of the District's Bond Counsel may be printed on the Bonds over the certification of the Secretary or Assistant Secretary of the Board of Directors, which may be executed in facsimile or, with respect to Bonds registered in the name of Cede & Co., as nominee of DTC, in accordance with Section 3.11 of this Order, an original of said opinion may be delivered to the Initial Purchaser.

SECTION 5.07: BOOK-ENTRY ONLY BONDS. Notwithstanding anything in this Article Five to the contrary, exchange bonds in the form specified in Exhibit "B" attached hereto shall not be issued except as set forth in Section 3.12 of this Order.

SECTION 5.08: BOND INSURANCE PROCEEDINGS. The officers and representatives of the District are hereby authorized and directed (i) to make application for and to execute, attest and deliver any and all certificates, agreements or other instruments necessary

to secure a municipal bond insurance policy with respect to the Bonds, and (ii) to provide for the printing of a statement or legend relating to such insurance on the Bonds, all as may be deemed necessary by said officers and representatives.

(End of Article Five)

ARTICLE SIX

SECURITY FOR THE BONDS

SECTION 6.01: **SECURITY FOR THE BONDS.** The Bonds are secured by and payable from the proceeds of an annual ad valorem tax, levied without legal limitation as to rate or amount, upon all taxable property within the District, and such taxes, as collected and received, are hereby pledged to the payment of the principal of and the interest, payment expenses and redemption price on the Bonds and the Outstanding Bonds.

SECTION 6.02: **LEVY OF TAX.** To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes and making payments in respect of the Bonds, there is hereby levied, and there shall be assessed and collected in due time, an annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except costs incurred in connection therewith, shall be paid into the Bond Fund Road Bond Account, as established pursuant to Article Seven of this Order and the aforementioned tax and such payments into the Bond Fund Road Bond Account shall continue until the Bonds and the interest thereon, together with all expenses incurred in making payments in respect of the Bonds and all amounts due to the United States of America pursuant to Section 8.01(g) hereof, have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. While said Bonds, or any of them, are outstanding and unpaid, an ad valorem tax, each year at a rate from year to year as will be ample and sufficient to provide funds to pay the current interest on said Bonds and to provide the necessary sinking fund to pay the principal and accrued interest on the Bonds when due, with full allowance being made for delinquencies and costs of collection, shall be levied, assessed and collected, as follows:

- (a) After receipt of the certified roll of taxable property in each year, and at such time as required by then applicable law, the Board of Directors shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and shall levy such tax against all taxable property in the District.
- (b) In determining the actual rate to be levied in each year, the Board of Directors shall consider, among other matters:
 - (1) the amount which should be levied for the payment of the principal of or the interest, payment expenses and redemption price on each series of bonds or notes of the District payable in whole or in part from taxes, including, but not limited to, the Bonds, the Outstanding Bonds and any Additional Bonds; and

- (2) the percentage of anticipated tax collections and the costs of assessing and collecting such taxes.
- (c) In determining the amount of taxes which should be levied each year, the Board of Directors may also consider whether proceeds from the sale of bonds of the District have been capitalized or placed in escrow to pay interest during construction and whether the Board of Directors reasonably expects to have investment earnings from the Bond Fund or the Bond Fund Road Bond Account, as applicable or excess arbitrage profits payable to the United States of America, or revenues or receipts available from other sources which are legally available to pay the principal of or the interest, payment expenses or redemption price on the Bonds, the Outstanding Bonds or any Additional Bonds or notes payable in whole or in part from taxes.

In addition to the tax levied pursuant to this Section 6.02, the District may also levy from time to time taxes for maintenance and operation purposes, for contract obligations payable from taxes, and for any other purpose or purposes authorized by law.

SECTION 6.03: PERFECTION OF PLEDGE. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of taxes by the District under Section 6.01 of this Order, and such pledge is, therefore, valid, effective and perfected. If, at any time while all or any portion of the Bonds are outstanding and unpaid, Texas law is amended in a manner that such pledge is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Holders the perfection of the security interest in and to such pledge, the District covenants and agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and to enable a filing to perfect the security interest in such pledge to occur.

(End of Article Six)

ARTICLE SEVEN

APPLICATION OF BOND PROCEEDS; FLOW OF FUNDS AND INVESTMENTS

SECTION 7.01: **BOND PROCEEDS.** Proceeds from the sale of the Bonds will be disbursed in accordance with this Article Seven.

SECTION 7.02: **CREATION OF FUNDS AND ACCOUNTS.** Notwithstanding any part or provision hereof to the contrary, the creation of the District's Bond Fund and Construction Fund (including the Bond Fund Road Bond Account and Road Construction Fund Account) pursuant to the provisions of the Prior Bond Order are hereby confirmed. Each fund shall be kept separate and apart from all other funds of the District. The Bond Fund Road Bond Account, to the extent permitted by law, shall constitute a trust fund for the benefit of the Holders of the Bonds, the Outstanding Bonds and any Additional Bonds issued for the purpose of financing roads payable in whole or in part from taxes, and shall be applied only to pay interest and principal on the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes and the fees and expenses of any Paying Agent or Registrar in respect of same, and to defray the expenses, if any, of assessing and collecting taxes levied for payment of the interest on and principal of the Bonds, the Outstanding Bonds and any Additional Bonds issued for the purpose of financing roads payable in whole or in part from taxes, to pay any tax anticipation notes issued together with interest thereon, as such tax anticipation notes shall become due, and to pay to the United States of America any excess arbitrage profits in respect of the Bonds, the Outstanding Bonds and any Additional Bonds payable in whole or in part from taxes which may hereafter come due.

SECTION 7.03: **SECURITY OF ACCOUNTS.** Any cash balance in any fund of the District, to the extent not insured by the Bank Insurance Fund managed and maintained by the Federal Deposit Insurance Corporation, or a successor insurance fund, shall be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of districts such as the District, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the uninsured cash balance in the fund to which such securities are pledged or such higher amount as required by the District's policies for investment of funds of the District.

SECTION 7.04: **DEPOSITS TO AND WITHDRAWALS FROM BOND FUND ROAD BOND ACCOUNT.** The District shall deposit or cause to be deposited into the Bond Fund Road Bond Account the aggregate of the following at the times specified:

- (a) As soon as practicable after the Initial Bonds are sold and delivered, out of the proceeds of the sale of the Bonds, a sum equal to the lesser of \$113,288 or the initial twelve (12) months of interest on the Bonds; and
- (b) As collected, the proceeds from collection of the ad valorem tax levied pursuant to Section 6.02 hereof, less the costs of collection thereof.

Not later than five (5) calendar days prior to any Maturity Date, Redemption Date and/or Interest Payment Date on the Bonds, the Board of Directors shall cause moneys to be deposited into the Bond Fund Road Bond Account in an amount not less than that which is sufficient to pay the principal of the Bonds which matures and becomes payable on such date, the interest which accrues and becomes payable on such date, and the fees and expenses of the Paying Agent and the Registrar for handling and making such payments on the Bonds on such date, and not later than two (2) Business Days prior to such payment dates shall cause such amounts to be wire transferred to the Paying Agent.

SECTION 7.05: CONSTRUCTION FUND. The District shall deposit or cause to be deposited into the Road Construction Fund Account the Net Proceeds of the Bonds, less any portion of the Net Proceeds that has been utilized by the Paying Agent, pursuant to written instructions of the District, for expenses incident to the issuance of the Bonds. Moneys on deposit in the Road Construction Fund Account shall be used solely for the payment of the expenses incident to the issuance of the Bonds, including financial advisory, legal and engineering fees and expenses, and administration, organization and printing expenses of the District, and the costs of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending the Road System.

SECTION 7.06: SURPLUS CONSTRUCTION FUNDS. After completion of the Road System for which the Bonds are issued and the payment of all lawful obligations associated therewith, at the option of the Board, and, if required, with the consent of any regulatory authority having jurisdiction, the proceeds of the Bonds remaining in the Road Construction Fund Account, together with investment earnings thereon, may be used to pay the costs of constructing additional road facilities which will become part of the Road System and/or for any other lawful purpose for which the Bonds and the Outstanding Bonds were authorized, if such use, in the opinion of Bond Counsel, does not adversely affect the status of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any moneys remaining in the Road Construction Fund Account after completion of the entire Road System shall be deposited into the Bond Fund Road Bond Account.

SECTION 7.07: INVESTMENTS; EARNINGS. Moneys deposited into the Bond Fund, the Bond Fund Road Bond Account, the Construction Fund, and the Road Construction Fund Account, and any other fund or funds which the District may lawfully create may be invested or reinvested from time to time, but only in Authorized Investments. Except to the extent otherwise required to maintain compliance with the covenants set forth in Section 8.01 hereof, all investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investment were taken; provided, however that in the discretion of the Board of Directors, and, if required, with the consent of any regulatory authority having jurisdiction, the profits realized from and interest accruing on investments made from any fund may be transferred to the appropriate account within the Bond Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested moneys on hand to meet the obligations payable out of such fund.

After such sale, the moneys resulting therefrom shall belong to the fund from which such investments were initially taken. The District shall not be responsible to the Holders for any loss arising out of the sale of any investments.

(End of Article Seven)

ARTICLE EIGHT

TAX EXEMPTION

SECTION 8.01: TAX EXEMPTION. For purposes of this Section 8.01, the term "Net Proceeds" means the proceeds derived from the sale of the Bonds, plus interest earnings thereon, less any amounts deposited in a reasonably required reserve or replacement fund; the term "Person" includes any individual, corporation, partnership, unincorporated association or any other entity capable of carrying on a trade or business; and the term "trade or business" means, with respect to any natural person, any activity regularly carried on for profit and, with respect to Persons other than natural persons, means any activity other than an activity carried on by a governmental unit.

The District covenants that it shall make such use of the Net Proceeds of the Bonds, regulate investments thereof and take such other and further actions as may be required by Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "Code"), and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code (the "Regulations"), necessary to assure that interest on the Bonds is excludable from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the District hereby covenants as follows:

(a) The District has not permitted and will not permit more than ten percent (10%) of the Net Proceeds of the Bonds to be used in the trade or business of any Person (other than use as a member of the general public) other than a governmental unit ("private-use proceeds").

(b) The District has not permitted and will not permit more than five percent (5%) of the Net Proceeds of the Bonds to be used in the trade or business of any Person, other than a governmental unit, if such use is unrelated to the governmental purpose of the Bonds; and further, the amount of private-use proceeds of the Bonds in excess of five percent (5%) of the Net Proceeds of the Bonds ("excess private-use proceeds") will not exceed the proceeds of the Bonds expended for the governmental purpose of the Bonds to which such excess private-use proceeds relate.

(c) The principal of and interest on the Bonds will be paid from ad valorem tax collections, together with investment profits and interest earnings thereon.

(d) The District has not permitted and will not permit an amount exceeding the lesser of (i) \$5,000,000 or (ii) five percent (5%) of the Net Proceeds of the Bonds to be used directly or indirectly to finance loans to Persons other than governmental units.

(e) The District will not use the proceeds of the Bonds in a manner that would cause the Bonds or any portion thereof to be an "arbitrage bond" within the meaning of

Section 148 of the Code or otherwise in any manner which would cause the Bonds to violate the provisions of Section 149(d) of the Code. The District will monitor the yield on the investment of the proceeds of the Bonds and moneys pledged to the payment of the Bonds, other than amounts not subject to yield restriction because of their deposit in a reasonably required reserve or replacement fund or a bona fide debt service fund, and will restrict the yield on such investments to the extent required by the Code or the Regulations. Without limiting the generality of the foregoing, the District will take appropriate steps to restrict the yield on (i) all Net Proceeds of the Bonds on hand on a date that is three (3) years from the date of delivery of the Bonds and on all amounts within the Bond Fund not disbursed within thirteen (13) months of the date of deposit therein (using a last-in, first out accounting conversion) and (ii) all investment earnings on hand on a date that is three (3) years from the date of delivery of the Bonds or one (1) year from the date such investment proceeds are received, whichever is later, to a yield which is not materially higher than the yield on the Bonds (in both cases calculated in accordance with the Code and the Regulations).

(f) The District will not cause the Bonds to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as same may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code).

(g) To the extent, if applicable, required by the Code or Regulations, the District will take all necessary steps to comply with the requirement that "excess arbitrage profits" earned on the investment of the gross proceeds of the Bonds, if any, be rebated to the United States of America, and specifically, the District will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate such "excess arbitrage profits" separately from records of amounts on deposit in the funds and accounts of the District which are allocable to other bond issues of the District or moneys which do not represent gross proceeds of any bonds of the District, (ii) calculate, not less often than required by applicable federal law and the Regulations, the amount of "excess arbitrage profits", if any, earned from the investment of the gross proceeds of the Bonds and (iii) pay, not less often than required by applicable federal law and the Regulations, all amounts required to be rebated to the United States of America; and the District will not indirectly pay any amount otherwise payable to the United States of America pursuant to the foregoing requirements to any Person other than the United States of America by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(h) The District will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code.

(i) This Order is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

For purposes of the foregoing (a), (b) and (e), the District understands that the term "Net Proceeds" includes "disposition proceeds" as defined in the Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President or Vice President of the Board to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. Furthermore, all officers, employees and agents of the District are authorized and directed to provide certifications of facts, estimates and circumstances which are material to the reasonable expectations of the District as of the date the Initial Bonds are delivered and paid for, and any such certifications may be relied upon by Bond Counsel, by the Holders of the Bonds, and by any Person interested in the exclusion of interest on the Bonds from gross income for federal income tax purposes. Moreover, the District covenants that it shall make such use of the proceeds of the Bonds, regulate investments of proceeds thereof, and take such other and further actions as may be required to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.02: BONDS NOT QUALIFIED TAX-EXEMPT OBLIGATIONS.

The District has not designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code. For purposes of this Section 8.02, the term "tax-exempt obligation" does not include "specified private activity bonds" within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. In addition, for purposes of this Section 8.02, the District includes all governmental units of which the District is a "subordinate entity" and governmental units which are "subordinate entities" of the District, within the meaning of Section 265(b)(3)(E) of the Code.

SECTION 8.03: ALLOCATION OF, AND LIMITATION ON, EXPENDITURES.

The District covenants to account for the expenditure of the proceeds of the sale of the Bonds and investment earnings to be used for the purposes for which the Bonds are issued on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that

(1) the expenditure is made, or (2) the facilities to be constructed and/or purchased with the proceeds of the Bonds are completed. The foregoing notwithstanding, the District shall make such allocation in any event by the date 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. For purposes of determining compliance with this covenant the District and its officers, agents and representatives may rely upon an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions or omissions of the District will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

SECTION 8.04: DISPOSITION OF FACILITIES. The District covenants that the property constituting the facilities to be constructed and/or purchased with the proceeds of the Bonds will not be sold or otherwise disposed of in a transaction resulting in the receipt by the District of cash or other compensation unless the District obtains an opinion of nationally recognized bond counsel or tax counsel to the effect that the proposed actions of the District will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. For purposes of the foregoing, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

(End of Article Eight)

ARTICLE NINE

ADDITIONAL BONDS AND REFUNDING BONDS

SECTION 9.01: **ADDITIONAL BONDS.** The District expressly reserves the right to issue, in one or more installments, Additional Bonds for authorized purposes, including, without limitation:

- (a) the remaining unissued bonds which were authorized at the election described in Sections 1.05 (c), (d) and (e) of this Order; and
- (b) such other bonds as the District may hereafter be authorized to issue from time to time.

SECTION 9.02: **REFUNDING BONDS.** The District further reserves the right to issue refunding bonds including, without limitation, the refunding bonds which were authorized at the election described in Section 1.05 (f) of this Order, in any manner permitted by law to refund the Bonds, the Outstanding Bonds, and any Additional Bonds, at or prior to their respective Maturity Dates or on any Redemption Dates.

(End of Article Nine)

ARTICLE TEN

DEFAULT PROVISIONS

SECTION 10.01: REMEDIES IN EVENT OF DEFAULT. In addition to any other rights and remedies provided by the laws of the State of Texas, the District covenants and agrees that in the event of default in the payment of the principal of or interest on any of the Bonds when due, or, in the event the District fails to make the payments required to be made into the Bond Fund Road Bond Account, or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Order, the Holders shall be entitled to seek a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Order. Any delay or omission in the exercise of any right or power accruing upon any default shall not impair any such right or power or be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 10.02: ORDER IS CONTRACT. In consideration of the purchase and acceptance of the Bonds by the Holders, the provisions of this Order shall be deemed to be and shall constitute a contract between the District and such Holders, and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of each of such Holders. Each of the Bonds, regardless of the time or times of their issue, authentication, registration, delivery or maturity, shall be of equal rank, without preference, priority or distinction of any Bond over any other, except as expressly provided herein.

(End of Article Ten)

ARTICLE ELEVEN

CONTINUING DISCLOSURE

SECTION 11.01: DEFINITIONS. As used in this Article, the following terms have the meanings ascribed to them below:

The term "MSRB" means the Municipal Securities Rulemaking Board.

The term "obligated person" has the meaning assigned to such term in the Rule.

The term "Offering" has the meaning assigned to such term in the Rule.

The term "Rule" means SEC Rule 15c2-12 and any regulations promulgated thereunder, all as amended from time to time.

The term "SEC" means the United States Securities and Exchange Commission.

SECTION 11.02: ANNUAL REPORTS. The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District does not have more than \$10,000,000 in aggregate amount of outstanding bonds, including the Bonds, and no Person is committed by contract or other arrangement with respect to payment of all, or part of, the Bonds. As required by the exemption, the District shall provide within six (6) months after the end of each Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, financial information and operating data which is customarily prepared by the District and is publicly available (being the information and data described in Exhibit "C" attached hereto).

If the District changes its Fiscal Year, the District will notify the MSRB of the change (and of 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 11.02. The District shall notify the MSRB, in a timely manner, of any failure of the District to provide financial information or operating data in accordance with this Section 11.02 by the time required herein. All documents provided to the MSRB pursuant to this Section 11.02 shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11.03: EVENT NOTICES. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;

- (b) Non-payment related defaults, if material within the meaning of the federal securities laws;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (g) Modifications to the rights of the Holders of the Bonds, if material within the meaning of the federal securities laws;
- (h) Calls for redemption of the Bonds, if material within the meaning of the federal securities laws, and tender offers;
- (i) Defeasances of the Bonds;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the District;
- (m) 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 within the meaning of the federal securities laws;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws;
- (o) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

As used in clauses (o) and (p) above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii) however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time. The Board of Directors intends the words used in clauses (o) and (p) above and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

SECTION 11.04: LIMITATIONS, DISCLAIMERS AND AMENDMENTS.

(a) The District shall be obligated to observe and perform the covenants specified in this Article 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 call for redemption of the Bonds or defeasance of the Bonds, in whole or in substantial part, made in accordance with this Order or applicable law that causes such Bonds to no longer be outstanding.

(b) The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing herein, expressed or implied, shall be deemed to confer any benefit or any legal or equitable right, remedy or claim hereunder upon 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 Article 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, conditions or prospects of the District, nor does the District undertake to update any information provided in accordance with this Article 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 to sell Bonds at any future date.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNERS OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR IN 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 ARTICLE, BUT EVERY RIGHT AND REMEDY, IN CONTRACT OR IN TORT, FOR OR ON ACCOUNT OF ANY

SUCH BREACH, SHALL BE LIMITED TO AN ACTION BY THE HOLDER FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(d) No default by the District in observing or performing its obligations under this Article shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

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

(f) Should the Rule be amended to obligate the District to make filings with or provide notices to entities other than the MSRB, the District hereby agrees to undertake such obligations with respect to the Bonds in accordance with the Rule as amended.

(g) Except as provided hereinafter, the provisions of this Article may be amended by the District from time to time, in its discretion, to adapt to changed circumstances that arise from a change in law, the identity, nature, status or type of operations of the District, or other circumstances, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell the Bonds in a primary offering of the Bonds 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 (ii) either (A) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment, or (B) a Person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If this Article is so amended, the District shall include with any amended financial information or operating data next provided in accordance with this Article an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. Notwithstanding the foregoing, the District may also repeal or amend the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or if any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but, in either case, only if and to the extent that any such amendment or repeal by the District would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

(End of Article Eleven)

ARTICLE TWELVE

MISCELLANEOUS PROVISIONS

SECTION 12.01: PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. The District covenants to pay promptly the principal of and the interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Order, and to keep and perform faithfully all of its covenants, undertakings and agreements contained in this Order, the Initial Bonds or in any Bond executed, authenticated, registered and delivered hereunder.

SECTION 12.02: DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Order the District is named and referred to, such naming or reference shall be deemed to include the District's successors and assigns, and all covenants and agreements in this Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of the District's successors and assigns, whether or not so expressed.

SECTION 12.03: NO RECOURSE AGAINST DISTRICT OFFICERS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Order against any officer of the District or any Person executing the Bonds.

SECTION 12.04: PAYING AGENT MAY OWN BONDS. The Paying Agent, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Paying Agent.

SECTION 12.05: REGISTRAR. The initial Registrar in respect of the Bonds shall be The Bank of New York Mellon Trust Company, N.A., with its principal corporate trust office and its principal payment office in Dallas, Texas. The District will maintain at least one Registrar in the State of Texas, where the Bonds may be surrendered for registration of transfer and/or for exchange or replacement for other Bonds, and for the purpose of maintaining the Register on behalf of the District. The Registrar shall at all times be a duly qualified and competent trust or banking corporation or association organized and doing business under the laws of the United States of America, or of any State thereof, with a combined capital and surplus of at least \$25,000,000, which is subject to supervision of or examination by federal or State banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission. The District, by order, resolution or other appropriate action, reserves the right and authority to change any Registrar or to appoint additional Registrars, and upon any such change or appointment, the District covenants and agrees to promptly cause written notice thereof, specifying the name and address of such changed or additional Registrar, to be sent to each Holder of the Bonds by United States mail, first class, postage prepaid.

SECTION 12.06: PAYING AGENT. The initial Paying Agent in respect of the Bonds shall be The Bank of New York Mellon Trust Company, N.A., with its principal corporate

trust office and its principal payment office in Dallas, Texas. To the extent practicable, the District will maintain in the State of Texas, at least one (1) duly qualified and competent trust or banking corporation or association organized and doing business under the laws of the United States of America, or of any State thereof, where the Bonds may be presented or surrendered for payment of principal. The District, by order, resolution or other appropriate action, reserves the right and authority to change any Paying Agent or to appoint additional Paying Agents, and upon any such change or appointment, the District covenants and agrees to promptly cause written notice thereof, specifying the name and address of such changed or additional Paying Agent, to be sent to each Holder of the Bonds by United States mail, first class, postage prepaid.

SECTION 12.07: DISCHARGE BY DEPOSIT. The District may discharge its obligation to the Holders to pay the principal of and the interest on the Bonds and may defease the Bonds in accordance with the provisions of then applicable law, including, without limitation, V.T.C.A. Government Code §1207.001 *et seq.*, as amended.

SECTION 12.08: LEGAL HOLIDAYS. In any case when any Interest Payment Date, Maturity Date or Redemption Date for any Bond is not a Business Day, then payment by the Paying Agent of such principal, interest or redemption price need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the scheduled Interest Payment Date, Maturity Date or Redemption Date, and no further interest shall accrue beyond such scheduled date.

SECTION 12.09: ESCHEAT LAWS. Notwithstanding any part or provision of the Bonds or this Order to the contrary, the powers, rights, duties, functions and responsibilities of the District, the Paying Agent, the Registrar, the Initial Purchaser, and the Holders shall at all times conform and be subject to the requirements, limitations, procedures and provisions of Title 6, Texas Property Code, as now and hereafter amended, and in case of any conflict or inconsistency therewith now existing or hereafter created, the provisions of such laws shall prevail and control, and the provisions of this Order and the Bonds shall be deemed to be supplemented or amended to conform thereto.

SECTION 12.10: BENEFITS OF ORDER. Nothing in this Order or in the Bonds, expressed or implied, shall give or be construed to give any Person, other than the District; the Paying Agent; the Registrar; if applicable, the municipal bond insurance company; and the Holders, any legal or equitable right or claim under or in respect of this Order, or under any covenant, condition or provision herein contained, and all the covenants, conditions and provisions contained in this Order or in the Bonds shall be for the sole benefit of the District, the Paying Agent; the Registrar; if applicable, the municipal bond insurance company; and the Holders.

SECTION 12.11: SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section or other part of this Order, or the application thereof to any Person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Order and the application of such word, phrase, clause,

sentence, paragraph, section or other part of this Order to any other Persons or circumstances shall not be affected thereby.

SECTION 12.12: ACCOUNTING. The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Holder on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts performed by a certified public accountant or firm of certified public accountants, based on its Fiscal Year, and copies of such audits will be made available to any Holder upon request and upon payment by such Holder of the reasonable costs to the District of providing same.

SECTION 12.13: NOTICE. Except as otherwise expressly provided herein, 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 deposited in the United States mail, first class postage prepaid, and addressed to the Person to be notified and, with respect to notice to any Holder shall be addressed to the latest address shown on the Register.

SECTION 12.14: FURTHER PROCEEDINGS. The President, Vice President, Secretary and any Assistant Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Order, including, without limitation, the execution of this Order and other documentation required in connection herewith and with the issuance of the Bonds. Further, the District's Bond Counsel and financial advisor shall be authorized to prepare written instructions to the Paying Agent, on behalf of the District, for the disbursement and/or deposit of Net Proceeds to pay expenses incident to the issuance of the Bonds.

SECTION 12.15: AMENDMENT OF ORDER. The District may, without the consent of or notice to any Holder of the Bonds, amend, change or modify this Order as may be required (a) by the provisions hereof (including, without limitation, Article Eleven hereof); (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Holders of the Bonds. Except for such amendments, changes or modifications, the District shall not amend, change or modify this Order in any manner without the consent of the Holders of all the Bonds then outstanding in any manner, which would (a) extend the time or times of payment of the principal of and interest on the Bonds, or reduce the principal amount thereof or the rate or interest thereon or in any way modify the terms or sources of payment of the principal of or interest on the Bonds; (b) create any lien ranking prior to the lien of the Bonds; (c) give preference of any Bond over any other Bonds; or (d) extend any waiver of default to subsequent defaults.

SECTION 12.16: ISSUANCE OF BONDS UNDER CERTAIN TERMS AND CONDITIONS. The Bonds shall be issued upon and subject to the further terms and conditions contained in the Prior Bond Order, which shall apply with equal force to the Bonds as if set forth fully herein; provided, however, that where the provisions of the Prior Bond Order are

inconsistent or in conflict with the terms and provisions of this Order, the terms and provisions of this Order shall govern.

(End of Article Twelve)

ARTICLE THIRTEEN

SALE OF BONDS

SECTION 13.01: SALE OF BONDS. Sale of the Bonds is hereby awarded to RBC Capital Markets, LLC (the "Initial Purchaser"), for the sum of \$2,313,450.00, subject to the issuance of an approving opinion as to legality of the Initial Bonds of the Attorney General of Texas and of Bond Counsel for the District. It is hereby found and declared that the bid of the Initial Purchaser produces the lowest net effective interest rate to the District and is the best obtained for the Bonds pursuant to and after taking sealed, competitive public bids therefor, as required by law, and that the net effective interest rate resulting from said bid is 4.417873% which is less than the maximum of 5.94% permitted by the District's Official Notice of Sale. It is hereby further found and declared that the terms of the sale of the Bonds are in the District's best interests.

SECTION 13.02: NOTICE OF SALE. It is hereby affirmatively found and declared that notice of the time and place of this sale and the details concerning the sale of the Bonds was given by publishing an appropriate notice of sale:

- (a) at least one (1) time not less than ten (10) days before the date of sale in a newspaper of general circulation in the county in which the District is located; and
- (b) at least one (1) time in a recognized financial publication of general circulation in the State of Texas, as approved by the Attorney General of Texas.

(End of Article Thirteen)

ARTICLE FOURTEEN

OPEN MEETING AND EFFECTIVE DATE

SECTION 14.01: OPEN MEETING. The Board of Directors officially finds, determines and declares that this Order was reviewed, considered and adopted at a meeting of the Board of Directors beginning at 12:00 Noon, Houston, Texas time on August 12, 2024, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at the District's administrative office and at a place readily accessible and convenient to the public within the District and was timely furnished to the County Clerk of Waller County, Texas, for posting on a bulletin board located at a place convenient to the public in the Waller County Courthouse and on said clerk's or said county's Internet website, for the time prescribed by law preceding this meeting, as required by Chapter 551, Texas Government Code, as amended, and Section 49.063 of the Texas Water Code, as amended, and that this meeting has been open to the public, as required by law, at all times during which this Order and the subject matter hereof has been discussed, considered and acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 14.02: EFFECTIVE DATE OF ORDER. This Order shall take effect and be in full force and effect upon and after its passage.

PASSED AND ADOPTED the 12th day of August, 2024.

/s/ Victoria A. Battistini
President, Board of Directors
Waller County Municipal Utility District
No. 35

ATTEST:

/s/ Jaclyn Day
Secretary, Board of Directors
Waller County Municipal Utility
District No. 35

(SEAL)

(End of Article Fourteen)

EXHIBIT "A"

(FORM OF INITIAL BOND)

REGISTERED
NUMBER
IR-

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WALLER

REGISTERED
AMOUNT
\$ _____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35
UNLIMITED TAX ROAD BOND
SERIES 2024

Interest Rate:	Maturity Date:	Initial Date:	Delivery Date:	CUSIP NO.:
_____ %	September 1, ____	September 1, 2024	_____, 2024	_____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, a conservation and reclamation district, a body politic and corporate and a governmental agency and political subdivision created under the Constitution and laws of the State of Texas, situated in Waller County, Texas (the "District"), FOR VALUE RECEIVED hereby acknowledges itself indebted to and PROMISES TO PAY TO

CEDE & CO.

or registered assigns, on the due date specified above, the principal sum of

_____ DOLLARS

(or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption), and to pay interest thereon from the later of the Delivery Date specified above or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months. Interest hereon is payable semiannually on March 1 and September 1 (individually, an "Interest Payment Date") of each year, commencing on March 1, 2025, until the maturity or redemption date of this Bond, as provided in the order of the Board of Directors of the District duly adopted on August 12, 2024 (the "Bond Order"), authorizing the issuance of this Bond, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the "Record Date"). Principal of this Bond due at maturity or upon prior redemption is payable 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 presentation and surrender of this Bond at the designated office of the agency selected by the District for such purpose (the "Paying Agent"). Except at maturity, interest on, or mandatory redemption payments, if any, in respect of, this Bond are payable by mailing of a check of the Paying Agent for such interest payable to, or upon written order of, the registered owner hereof at the address shown on the registry books maintained on behalf of the District by a trust or banking corporation or association selected by the District for such purpose (the "Registrar"), or by such other customary banking arrangements as may be acceptable to the Paying Agent and the registered owner hereof, at the risk and expense of the registered owner hereof. The initial Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Dallas, Texas.

THIS BOND IS ONE OF AN AUTHORIZED ISSUE OF BONDS, aggregating Two Million Three Hundred Eighty Five Thousand and No/100 Dollars (\$2,385,000.00) (the "Bonds"), issued for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of these roads, including, but not limited to, all additions thereto and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, by authority of an election held within and for the District on November 2, 2021, and pursuant to the Bond Order and under and in strict conformity with the Constitution and laws of the State of Texas.

THE TRANSFER OF THIS BOND may be accomplished by due execution of the provisions for assignment hereon and is registerable at the designated office of the Registrar by the registered owner hereof, or by his or her duly authorized representative, but only in the manner and subject to the limitations provided in the Bond Order, and only upon surrender of this Bond. Upon any such registration of transfer, one or more exchange Bonds, in authorized denominations, for a like interest rate and aggregate principal amount, shall be authenticated by the Registrar and registered and delivered or sent by United States mail, first class, postage prepaid, to the transferee in exchange therefor. This Bond, with or without others of like form and series, may in like manner be exchanged for one or more registered bonds of other authorized denominations at the same interest rate and in the same aggregate principal amount. No service charge shall be made for any such transfer or exchange, but the District and/or the Registrar may impose a charge sufficient to defray any tax or governmental charge in connection therewith.

THE BONDS ISSUED AS TERM BONDS and scheduled to mature on September 1, 2034, 2037, 2039, 2048, and 2050, are subject to mandatory redemption, prior to said scheduled Maturity Dates, and shall be redeemed, by lot or by other customary method, on September 1 in each of the years and in the principal amounts set forth in the following table (subject to reductions of such principal amounts attributable to prior optional redemptions of such Term Bonds by the District, as provided in the Bond Order), plus accrued interest on said principal amounts:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$70,000
2033	\$70,000
2034 (Maturity)	\$75,000
2035	\$80,000
2036	\$80,000
2037 (Maturity)	\$85,000
2038	\$90,000
2039 (Maturity)	\$95,000
2047	\$135,000
2048 (Maturity)	\$145,000
2049	\$150,000
2050 (Maturity)	\$160,000

THE DISTRICT RESERVES THE RIGHT, AT ITS OPTION, TO REDEEM the Bonds of this issue maturing on or after September 1, 2031, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed, plus accrued interest on said principal amount to be redeemed to the date fixed for redemption. In the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000, or an integral multiple thereof, and only upon the delivery of one or more exchange Serial Bonds of the same interest rate and in aggregate principal amount equal to the unredeemed portion of the Serial Bond so redeemed in part. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District may determine and notify the Paying Agent of the reduction in the remaining mandatory redemption amount(s) of such Term Bond as result from such optional redemption.

NOTICE OF REDEMPTION will be given by mailing same to the registered owners of the Bonds to be redeemed, in whole or in part, at least thirty (30) days prior to the date fixed for redemption. By the date fixed for redemption, due provision will have been made with the Paying Agent for payment of the principal amount of the Bonds so called for redemption, plus accrued interest thereon to the date fixed for redemption. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the owners to collect interest which would otherwise accrue after the redemption date on the principal of the Bonds, or the portions thereof so called for redemption, will be terminated.

NEITHER THE DISTRICT NOR THE REGISTRAR SHALL BE REQUIRED to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next

succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of, the mailing of any notice of redemption prior to maturity; nor shall the District or the Registrar be required to transfer or exchange any Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within thirty (30) calendar days thereafter.

PRIOR TO DUE PRESENTATION OF THIS BOND FOR REGISTRATION OF TRANSFER, the District, the Paying Agent and the Registrar may deem and treat the registered owner hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof, and interest due hereon, and for all other purposes, and neither the District, the Paying Agent nor the Registrar shall be bound or affected by any notice to the contrary.

THE BONDS ARE NOT DESIGNATED AS "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b) of the Internal Revenue Code of 1986 in effect on the date of the issuance of the Bonds.

THIS BOND, AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Bond Order for a complete description of: the terms, covenants and provisions pursuant to which this Bond and said series of Bonds are secured and made payable; the respective rights thereunder of the registered owners of the Bonds and of the District, the Paying Agent and the Registrar; the terms upon which the Bonds are, and are to be, registered and delivered; and any capitalized terms not otherwise defined herein. By acceptance of this Bond, the owner hereof expressly assents to all of the provisions of the Bond Order.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond, and the series of Bonds of which it is a part, is duly authorized by law; that all acts, conditions, and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a direct, annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

UNLESS AND UNTIL A CERTIFICATE OF REGISTRATION of the Comptroller of Public Accounts of the State of Texas has been manually executed hereon by such Comptroller (or a duly authorized deputy), as provided in the Bond Order, this Bond shall not be entitled to the benefit and security of the Bond Order nor be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 has caused this Bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and its official seal to be impressed or placed in facsimile hereon.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

(SEAL)

STATEMENT OF INSURANCE

Assured Guaranty Inc. ("AG"), has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AG or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Policy.

OFFICE OF THE COMPTROLLER

REGISTER NO. _____

THE STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office an opinion of the Attorney General of the State of Texas to the effect that this Bond has been examined by said Attorney General as required by law, that said Attorney General finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and it is a valid and binding obligation of Waller County Municipal Utility District No. 35 and said Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas,

_____.

Comptroller of Public Accounts
of the State of Texas

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number):

the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

The signature of the Registered Owner appearing on this Assignment is hereby verified as true and genuine and is guaranteed by:

Registered Owner

NOTICE: The signature on this Assignment must correspond in every particular with the name of the Registered Owner as it appears on the face of the within Bond.

(Bank, Trust Company, or
Brokerage Firm)

By: _____
(Authorized Representative)

EXHIBIT "B"

(FORM OF EXCHANGE BOND)

REGISTERED
NUMBER

R-

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WALLER

REGISTERED
AMOUNT

\$ _____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35
UNLIMITED TAX ROAD BOND
SERIES 2024

Interest Rate: Maturity Date: Initial Date: Delivery Date: CUSIP NO.:

_____ % September 1, ____ September 1, 2024 _____ _____

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35, a conservation and reclamation district, a body politic and corporate and a governmental agency and political subdivision created under the Constitution and laws of the State of Texas, situated in Waller County, Texas (herein the "District"), FOR VALUE RECEIVED hereby acknowledges itself indebted to and PROMISES TO PAY TO

or registered assigns, on the due date specified above, the principal sum of

_____ DOLLARS

(or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption), and to pay interest thereon from the later of the Delivery Date specified above or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months. Interest hereon is payable semiannually on March 1 and September 1 (individually, an "Interest Payment Date") of each year, commencing on March 1, 2025, until the maturity or redemption date of this Bond, as provided in the order of the Board of Directors of the District duly adopted on August 12, 2024 (the "Bond Order"), authorizing the issuance of this Bond, to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding

such Interest Payment Date (the "Record Date"). Principal of this Bond due at maturity or upon prior redemption is payable 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 presentation and surrender of this Bond at the designated office of the agency selected by the District for such purpose (the "Paying Agent"). Except at maturity, interest on, or mandatory redemption payments, if any, in respect of, this Bond are payable by mailing of a check of the Paying Agent for such interest payable to, or upon written order of, the registered owner hereof at the address shown on the registry books maintained on behalf of the District by a trust or banking corporation or association selected by the District for such purpose (the "Registrar"), or by such other customary banking arrangements as may be acceptable to the Paying Agent and the registered owner hereof, at the risk and expense of the registered owner hereof. The initial Registrar and Paying Agent shall be The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Dallas, Texas.

THIS BOND IS ONE OF AN AUTHORIZED ISSUE OF BONDS, aggregating Two Million Three Hundred Eighty Five Thousand and No/100 Dollars (\$2,385,000.00) (the "Bonds"), issued for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of these roads, including, but not limited to, all additions thereto and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, by authority of an election held within and for the District on November 2, 2021, and pursuant to the Bond Order and under and in strict conformity with the Constitution and laws of the State of Texas.

THE TRANSFER OF THIS BOND may be accomplished by due execution of the provisions for assignment hereon and is registerable at the designated office of the Registrar by the registered owner hereof, or by his or her duly authorized representative, but only in the manner and subject to the limitations provided in the Bond Order, and only upon surrender of this Bond. Upon any such registration of transfer, one or more exchange Bonds, in authorized denominations, for a like interest rate and aggregate principal amount, shall be authenticated by the Registrar and registered and delivered or sent by United States mail, first class, postage prepaid, to the transferee in exchange therefor. This Bond, with or without others of like form and series, may in like manner be exchanged for one or more registered bonds of other authorized denominations at the same interest rate and in the same aggregate principal amount. No service charge shall be made for any such transfer or exchange, but the District and/or the Registrar may impose a charge sufficient to defray any tax or governmental charge in connection therewith.

THE BONDS ISSUED AS TERM BONDS and scheduled to mature on September 1, 2034, 2037, 2039, 2048, and 2050, are subject to mandatory redemption, prior to said scheduled Maturity Dates, and shall be redeemed, by lot or by other customary method, on September 1 in each of the years and in the principal amounts set forth in the following table (subject to reductions of such principal amounts attributable to prior optional redemptions of such Term

Bonds by the District, as provided in the Bond Order), plus accrued interest on said principal amounts:

<u>Year of Redemption</u>	<u>Principal Amount</u>
2032	\$70,000
2033	\$70,000
2034 (Maturity)	\$75,000
2035	\$80,000
2036	\$80,000
2037 (Maturity)	\$85,000
2038	\$90,000
2039 (Maturity)	\$95,000
2047	\$135,000
2048 (Maturity)	\$145,000
2049	\$150,000
2050 (Maturity)	\$160,000

THE DISTRICT RESERVES THE RIGHT, AT ITS OPTION, TO REDEEM the Bonds of this issue maturing on or after September 1, 2031, in whole or, from time to time, in part, prior to their scheduled maturities, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof to be redeemed, plus accrued interest on said principal amount to be redeemed to the date fixed for redemption. In the event that a Serial Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Serial Bond may be redeemed, but only in a principal amount equal to \$5,000, or an integral multiple thereof, and only upon the delivery of one or more exchange Serial Bonds of the same interest rate and in aggregate principal amount equal to the unredeemed portion of the Serial Bond so redeemed in part. If less than all of the outstanding principal amount of a Term Bond is to be redeemed, the District may determine and notify the Paying Agent of the reduction in the remaining mandatory redemption amount(s) of such Term Bond as result from such optional redemption.

NOTICE OF REDEMPTION will be given by mailing same to the registered owners of the Bonds to be redeemed, in whole or in part, at least thirty (30) days prior to the date fixed for redemption. By the date fixed for redemption, due provision will have been made with the Paying Agent for payment of the principal amount of the Bonds so called for redemption, plus accrued interest thereon to the date fixed for redemption. When Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or the portions thereof so called for redemption, shall no longer be regarded as outstanding, except for the purpose of receiving payment from the funds provided for redemption, and the rights of the owners to collect interest which would otherwise accrue after the redemption date on the principal of the Bonds, or the portions thereof so called for redemption, will be terminated.

NEITHER THE DISTRICT NOR THE REGISTRAR SHALL BE REQUIRED to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of, the mailing of any notice of redemption prior to maturity; nor shall the District or the Registrar be required to transfer or exchange any Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within thirty (30) calendar days thereafter.

PRIOR TO DUE PRESENTATION OF THIS BOND FOR REGISTRATION OF TRANSFER, the District, the Paying Agent and the Registrar may deem and treat the registered owner hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment hereof, or on account hereof, and interest due hereon, and for all other purposes, and neither the District, the Paying Agent nor the Registrar shall be bound or affected by any notice to the contrary.

THE BONDS ARE NOT DESIGNATED AS "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b) of the Internal Revenue Code of 1986 in effect on the date of the issuance of the Bonds.

THIS BOND, AND THE OTHER BONDS OF THE SERIES OF WHICH IT IS A PART, are payable from the proceeds of an ad valorem tax levied without legal limitation as to rate or amount upon all taxable property within the District. Reference is hereby made to the Bond Order for a complete description of: the terms, covenants and provisions pursuant to which this Bond and said series of Bonds are secured and made payable; the respective rights thereunder of the registered owners of the Bonds and of the District, the Paying Agent and the Registrar; the terms upon which the Bonds are, and are to be, registered and delivered; and any capitalized terms not otherwise defined herein. By acceptance of this Bond, the owner hereof expressly assents to all of the provisions of the Bond Order.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond, and the series of Bonds of which it is a part, is duly authorized by law; that all acts, conditions, and things required to exist and to be done precedent to and in the issuance of this Bond and said series of Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that due provision has been made for the payment of the interest on and the principal of this Bond and the series of Bonds of which it is a part by the levy of a direct, annual ad valorem tax upon all taxable property within the District sufficient for said purposes; and that the issuance of this Bond and said series of Bonds does not exceed any constitutional or statutory limitation.

UNLESS AND UNTIL A CERTIFICATE OF REGISTRATION of the Registrar has been manually executed by an authorized representative of the Registrar, as provided in the Bond Order, this Bond shall not be entitled to the benefit and security of the Bond Order nor be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 has caused this Bond to be executed by the manual or facsimile signatures of the President and Secretary of its Board of Directors and its official seal to be impressed or placed in facsimile hereon.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

(SEAL)

STATEMENT OF INSURANCE

Assured Guaranty Inc. ("AG"), has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AG or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Policy.

CERTIFICATE OF REGISTRAR

This is to certify that this Bond is one of the Bonds issued under the provisions of the within-mentioned Bond Order, and it is hereby further certified that this Bond has been authorized and delivered in conversion and exchange for, or in replacement of, a Bond, Bonds or portions thereof (or one or more prior conversion, exchange or replacement Bonds) originally issued by Waller County Municipal Utility District No. 35, approved by the Attorney General of Texas, and initially registered by the Comptroller of Public Accounts of the State of Texas.

_____, Registrar

Dated: _____

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

(Social Security or other identifying number): _____ the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

The signature of the Registered Owner appearing on this Assignment is hereby verified as true and genuine and is guaranteed by:

Registered Owner

NOTICE: The signature on this Assignment must correspond in every particular with the name of the Registered Owner as it appears on the face of the within Bond.

(Bank, Trust Company, or
Brokerage Firm)

By: _____
(Authorized Representative)

[The legal opinion of Bond Counsel shall also be attached to the Exchange Bonds.]

EXHIBIT "C"

CONTINUING DISCLOSURE

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 under the section entitled: "APPENDIX A.

Any financial statements of the District will be prepared in accordance with generally accepted accounting principles for local government units as prescribed by the Governmental Accounting Standards Board or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

Exhibit I

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (this "Agreement") is entered into as of August 12, 2024, by and between Waller County Municipal Utility District No. 35 (the "Issuer"), with its principal offices located in Harris County, Texas, and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States (the "Bank").

RECITALS

Pursuant to an order adopted by the Board of Directors of the Issuer on August 12, 2024 (the "Order"), the Issuer has duly authorized and provided for the issuance of its bonds, entitled Waller County Municipal Utility District No. 35 Unlimited Tax Road Bonds, Series 2024 (the "Bonds"), in the aggregate principal amount of \$2,385,000, to be issued as fully registered bonds, without interest coupons.

The Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal of, the redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds to assure the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 149(a) of the Code.

The Issuer and the Bank have duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement a valid agreement of the parties, in accordance with its terms, have been done.

AGREEMENT

For and in consideration of the mutual agreements and undertakings herein and the payments to be made hereunder, the parties contract and agree as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointments.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to receive the purchase price of the Bonds, from the underwriter of the Bonds and to transfer funds relating to the closing and initial delivery of the Bonds, and to pay to the Holders (as hereinafter defined), in accordance with the terms and provisions of this Agreement and the Order, the principal of and the redemption premium, if any, and interest on the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds.

The Bank hereby accepts its appointment and agrees to act as Paying Agent and Registrar.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees set forth in the Bank's fee schedule attached as Exhibit "A" hereto. The Bank reserves the right to amend the fee schedule at any time; provided, however, that the Bank shall have furnished the Issuer with a written copy of such amended fee schedule at least 75 days prior to the date that the new fees are to become effective.

Except as otherwise expressly provided herein, the Issuer agrees to reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provisions of this Agreement (including expenses, disbursements and advances of its counsel), to the extent not covered by the compensation terms established in Exhibit "A" hereto, unless any such expense, disbursement, or advance is attributable to the negligence or willful misconduct of the Paying Agent.

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions. Unless the context clearly requires otherwise, the following terms shall have the meanings assigned to them in the Order, but in case of any conflict or ambiguity between the Order and this Agreement, the terms and provisions of the Order shall prevail and control:

"Bond" or "Bonds".

"Code".

"Delivery Date".

"District".

"DTC".

"Holder" or "Holders".

"Initial Bonds".

"Order".

"Person".

"Register".

Section 2.02. Supplemental Definitions.

The following terms used in this Agreement shall have the meanings assigned to them herein:

"Agreement" means this Paying Agent/Registrar Agreement, including all exhibits, amendments and supplements hereto.

"Bank" means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States.

"Financial Advisor" means Robert W. Baird & Co., Inc., Houston, Texas, acting in the capacity of the Issuer's financial advisor with respect to the Bonds.

"Issuer" means District, as such term is defined in the Order.

"Paying Agent" shall have the meaning assigned to such term in the Order and refers to the Bank when it is performing the function and acting in the capacity of paying agent pursuant to this Agreement.

"Registrar" shall have the meaning assigned to such term in the Order and refers to the Bank when it is performing the function and acting in the capacity of Registrar pursuant to this Agreement.

ARTICLE THREE

DUTIES OF THE BANK

Section 3.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to the Person designated by the Issuer in the Order. At the time of such registration and delivery, Bank shall complete the Initial Bonds with the Delivery Date. If such Person delivers a written request to the Bank not later than 5 business days prior to the Delivery Date, the Bank will, on the Delivery Date, exchange the Initial Bonds for Bonds of authorized denominations, registered in accordance with the instructions in such request and the Order.

Section 3.02. Transfer of Proceeds of Sale of Bonds.

The net proceeds of the sale of the Bonds shall be deposited with the Paying Agent via wire transfer of immediately available funds. The Paying Agent shall disburse (or deposit into accounts) such funds as directed in writing by the Issuer. Such funds shall not be invested. Any funds remaining on deposit with the Paying Agent thirty (30) days after the issuance of the Bonds shall be paid over to the Issuer.

Section 3.03. Duties of Paying Agent.

The Bank is authorized to receive the purchase price of the Bonds from the underwriter of the Bonds and to transfer said funds relating to the closing and initial delivery of the Bonds in the manner disclosed in the closing memorandum as prepared by the Financial Advisor or other agent. The Bank may act on an electronic mail transmission of the closing memorandum acknowledged by the Issuer or the Financial Advisor as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

As Paying Agent, the Bank shall, but only to the extent that adequate funds have been provided to it for such purposes by or on behalf of the Issuer, pay on behalf of the Issuer the principal of, the redemption premium, if any, and interest on each Bond in accordance with the provisions of the Order.

Section 3.04. Duties of Registrar.

As Registrar, the Bank shall provide for the proper registration of the Bonds, the exchange, replacement and registration of transfers of the Bonds, and notice of redemption or discharge by deposit of the Bonds in accordance with the provisions of the Order.

Section 3.05. Unauthenticated Bonds.

The Issuer shall provide an inventory of unauthenticated Bonds, as needed, to facilitate transfers. The Bank covenants that it will maintain any such unauthenticated Bonds provided by the Issuer in safekeeping with not less than the same degree of care it uses for maintaining debt securities of other government entities or corporations for which it serves as registrar, or for its own bonds.

Section 3.06. Reports and Records.

The Bank will provide the Issuer reports upon request describing in reasonable detail all transactions pertaining to the Bonds and the Register. The Issuer may also inspect and make copies of the information in the Register at any time that the Bank is customarily open for business so long as reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Register to any Person, other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of any such subpoena, court order or lawful request for disclosure, the Bank will notify the Issuer immediately so that the Issuer will have the opportunity to, but shall not be required to, contest the subpoena, court order or request.

The Bank agrees that all records of the Issuer held by the Bank will be maintained according to the provisions of the Public Information Act, Ch. 552, Texas Government Code, and

the Local Government Records Act, Ch. 201-205, Texas Local Government Code, each as amended.

Section 3.07. Cancelled Bonds.

All Bonds surrendered to the Bank for payment, redemption, transfer, exchange, or replacement shall be promptly cancelled by it. Bonds surrendered to the Issuer shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank shall be destroyed upon the making of proper records, and evidence of such destruction shall be furnished to the Issuer upon request; provided, however, that if applicable laws or regulations prohibit the Bank from destroying the cancelled Bonds, the Bank shall return the cancelled Bonds to the Issuer.

Section 3.08. Standards.

The Bank undertakes to perform the duties set forth herein and in the Order and agrees to use reasonable care in the performance thereof. Except as otherwise expressly provided herein or in the Order, the Bank hereby agrees to use the funds transferred to it only for payment of the principal of and the redemption premium, if any, and interest on the Bonds, as the same shall become due.

Section 3.09. Reliance and Performance.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable to the Issuer for actions taken under this Agreement so long as it acts in good faith and exercises due diligence, reasonableness and care, as prescribed by law, with regard to its duties hereunder.

(c) This Agreement is not intended to require the Bank to expend its own funds for performance of any of its duties hereunder.

(d) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys.

Section 3.10. Money Held by Bank.

(a) Money held by the Bank hereunder shall not be deemed a banking deposit but shall be held for payment to the Holders of the Bonds as set forth in the Order.

(b) The Bank shall be under no obligation to pay interest on any money received by it hereunder.

(c) All money transferred to the Bank hereunder shall be secured in the manner and to the fullest extent required by applicable law for the security of funds of the Issuer.

(d) Except to the extent otherwise provided in the Order, any money transferred to the Bank for the payment of the principal of, the redemption premium, if any, or interest on any Bond which remains unclaimed for three (3) years after the date such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

Section 3.11. DTC Compliance.

In order for the Bonds to become and remain DTC eligible, the Bank shall, subject to the Issuer's obligations below, abide by the requirements stated in the DTC *Operational Arrangements* memorandum dated as of January, 2009, as such requirements may be amended from time to time. Among other matters, the *Operational Arrangements* require the Bank to provide on the payment date (i) any principal and interest payments to DTC in same-day funds by 2:50 p.m., eastern time, along with supporting CUSIP details in automated form, (ii) payment details for interest payments by noon, eastern time, and (iii) redemption and corporate action payments and details by 2:50 p.m. eastern time. In order for the Bank to meet such requirements, the Issuer shall remit by 1:00 p.m., eastern time, on all payment dates funds for all principal and interest payments due to the Bank, or at such earlier time as may reasonably be required by the Bank to ensure that DTC will receive payment in same-day funds by 2:50 p.m., eastern time, on such payment dates.

Section 3.12. Damages.

Anything in this Agreement to the contrary notwithstanding, and to the extent permitted by law, in no event shall the Paying Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Paying Agent has been advised of such loss or damage and regardless of the form of action, but nothing herein shall relieve the Paying Agent from liability for actual and direct damages.

Section 3.13. Indemnification.

The Issuer agrees to and shall, to the full extent permitted by law, indemnify, defend and hold harmless the Paying Agent, together with its officers, directors, agents and employees, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney's fees, incurred without negligence or willful misconduct on the part of the Paying Agent, arising out of or in connection with the administration or performance of its duties and obligations or the exercise or performance of any of its powers hereunder.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

Section 4.01. Recitals of Issuer.

The recitals contained in the Order and the Bonds shall be taken as the statements of Issuer, and the Bank assumes no responsibility for their correctness.

Section 4.02. May Own Bonds.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds, with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 4.03. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.04. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 4.05. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank respectively, at the addresses shown herein, or such other address as may have been given by one party to the other by 15 days' written notice.

Section 4.06. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 4.07. Successors and Assigns.

All covenants and agreements herein of the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not. Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any document or any further act on the part of either

of the parties hereto; provided, however, written notice of such merger, conversion or consolidation shall promptly be given to the Issuer.

Section 4.08. Severability.

If any provision of this Agreement shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

Section 4.09. Benefits of Agreement.

Nothing herein, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 4.10. Order Governs Conflicts.

This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar in respect of the Bonds, and if any conflict arises between this Agreement and the Order, the Order shall govern.

Section 4.11. Term and Termination.

This Agreement shall be effective from and after its date for so long as any of the Bonds remain outstanding, but may be terminated for any reason by the Issuer or the Bank at any time upon sixty (60) days' written notice; provided, however, that no such termination shall be effective until one or more successors have been appointed and have accepted the duties of the Bank hereunder. **If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer to the extent permitted by law, has the right to petition a court of competent jurisdiction in the State of Texas to appoint a successor under the Agreement.** In the event of early termination of this Agreement, regardless of the circumstances, the Bank shall deliver to the Issuer, or its designee, all funds, Bonds and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Bonds, including, but not limited to, the Register.

Section 4.12. Governing Law.

This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Texas.

Section 4.13. Anti-Boycott and Anti-Discrimination Provisions; Compliance with Laws Prohibiting Contracts with Certain Companies Engaged in Business With Iran, Sudan or Foreign Terrorist Organizations.

Bank hereby verifies that: (1) neither Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel, (2) neither Bank nor any wholly owned subsidiary, majority-owned subsidiary, parent company or

affiliate of the same, boycotts or will boycott energy companies, and (3) neither Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (a) has or will have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, or (b) will discriminate against a firearm entity or firearm trade association.

Additionally, Bank represents and certifies that, at the time of execution of this Agreement neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

The terms (1) "boycotts Israel" and "boycott Israel" as used herein have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended, (2) "boycotts energy companies" and "boycott energy companies" as used herein have the meanings assigned to the term "boycott energy company" in Sections 809.001 and 2276.001 of the Texas Government Code, each as amended, and (3) "discriminates against a firearm entity or firearm trade association" as used herein has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code, as amended. As used herein, the term "affiliate" shall mean an entity that controls, is controlled by, or is under common control with the Bank within the meaning of SEC Rules 405, 17 C.F.R. § 230.405, and exists to make a profit.

Liability for breach of any of the foregoing representations, verifications, and certifications during the term of this Agreement shall survive termination of this Agreement until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provisions hereof, notwithstanding anything herein to the contrary.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in several copies, each of equal dignity, as of the day and year first above written.

WALLER COUNTY MUNICIPAL UTILITY
DISTRICT NO. 35

By: _____
Name: _____
Title: _____

Address: c/o Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 2400
Houston, Texas 77056

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Name: _____
Title: _____

Address: The Bank of New York Mellon Trust
Company, N.A.
500 Ross Street, Suite 625
Pittsburgh, PA 15262

TEXAS ETHICS COMMISSION FORM 1295 COMPLIANCE

UNDER SECTION 2252.908, TEXAS GOVERNMENT CODE, AS AMENDED, A GOVERNMENTAL ENTITY MAY NOT ENTER INTO CERTAIN CONTRACTS WITH A BUSINESS ENTITY UNLESS THE BUSINESS ENTITY SUBMITS A DISCLOSURE OF INTERESTED PARTIES FORM (A "FORM 1295") TO THE GOVERNMENTAL ENTITY AT THE TIME THE BUSINESS ENTITY SUBMITS THE SIGNED CONTRACT TO THE GOVERNMENTAL ENTITY. BY EXECUTION OF THIS AGREEMENT ABOVE AND BELOW, THE BANK REPRESENTS AND WARRANTS TO THE ISSUER THAT IT (CHECK THE APPROPRIATE BOX):

- ☐ IS A PUBLICLY TRADED BUSINESS ENTITY, OR A WHOLLY OWNED SUBSIDIARY OF A PUBLICLY TRADED BUSINESS ENTITY, AND A FORM 1295 IS NOT REQUIRED TO BE SUBMITTED TO THE ISSUER PURSUANT TO SECTION 2252.908(C)(4), TEXAS GOVERNMENT CODE, AS AMENDED; OR
- ☐ SUBMITTED THE **ATTACHED** AND FOLLOWING FORM 1295 TO THE ISSUER ON _____, 2024, WHICH IS THE TIME THE BANK SUBMITTED THE SIGNED AGREEMENT TO THE ISSUER.

REPRESENTATIVE OF BUSINESS ENTITY

736352

Exhibit J

Waller County Municipal Utility District No. 35

Independent Accountant's Report on Applying Agreed-upon Procedures on Amounts Reimbursable to Developer

August 12, 2024

Independent Accountant's Report on Applying Agreed-upon Procedures

Board of Directors
Waller County Municipal Utility District No. 35
Waller County, Texas

We have performed the procedures enumerated below, with respect to the statements submitted by Astro Sunterra, LP (the developer) for costs paid or incurred on behalf of Waller County Municipal Utility District No. 35 (the District). The District is responsible for amounts reimbursable to the developer.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting in verifying the estimated amounts reimbursable from the proceeds of the District's \$2,385,000 Unlimited Tax Road Bonds, Series 2024. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report, and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures were as follows:

- A. We vouched copies of checks, invoices and other relevant documents supporting amounts requested for reimbursement by the developer.
- B. We recalculated estimated interest due to be paid to the developer in accordance with Rule 30 TAC, Section 293.50, of the Texas Commission on Environmental Quality (the Commission). Interest was calculated from the dates of payment through two years after payment on construction contracts and related costs or November 30, 2024, for items reimbursed from bond proceeds.
- C. The estimated net effective rate used in computing interest on amounts to be paid from this bond issue was 4.75%.
- D. The Cost Summary was read to determine that funds had been provided in the bond issue for the amounts requested.
- E. Estimates of costs remaining to be incurred were obtained through discussion with the District's other consultants.

The results of our procedures are presented in the accompanying schedules. Schedules A through A-1 detail amounts reimbursable to the developer from bond proceeds. Schedule B presents a comparison of actual costs with costs as approved by the District.

Board of Directors
Waller County Municipal Utility District No. 35
Page 2

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, as required by Rule 30 TAC, Section 293.70, of the Commission "Audit of Payments to Developers." We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the statements submitted by the developer for costs paid or incurred on behalf of the District. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified parties listed and is not intended to be, and should not be, used by anyone other than these specified parties.

Houston, Texas
August 12, 2024

Waller County Municipal Utility District No. 35
Recapitulation of Amounts Reimbursable to Developer
Schedule A
August 12, 2024

<u>Payee</u>	Astro Sunterra LP	
	Amounts Reimbursable	Estimated Interest
A&M Contractors, Inc.	\$ 405,868.34	\$ 36,132.27
Allgood Construction Company, Inc.	1,119,740.71	56,986.43
Quiddity Engineering, LLC	73,998.75	7,955.30
Terracon Consultants, Inc.	23,534.00	2,111.11
Land acquisition	304,634.88	-
Total estimated reimbursable amounts	<u>\$ 1,927,776.68</u>	<u>\$ 103,185.11</u>
Total estimated amounts reimbursable to developer		<u><u>\$ 2,030,961.79</u></u>

Waller County Municipal Utility District No. 35
Recapitulation of Amounts Reimbursable to Developer
Schedule A-1
August 12, 2024

	% Complete	Amounts Reimbursable	
	Date Complete		
A&M Contractors, Inc.			
Construction of paving facilities to serve	100%		
Sunterra, Section 50	05/23	\$ 1,151,399.60	
Less amount previously reimbursed		<u>(745,531.26)</u>	\$ 405,868.34
Estimated interest accrued at 4.75%			36,132.27
Allgood Construction Company, Inc.			
Construction of paving facilities to serve	100%		
Sunterra, Section 53	03/24		1,119,740.71
Estimated interest accrued at 4.75%			56,986.43
Quiddity Engineering, LLC			
District's share of engineering fees related to:			
Sunterra, Section 50			73,998.75
Estimated interest accrued at 4.75%			7,955.30
Terracon Consultants, Inc.			
District's share of materials testing fees			
related to:			
Sunterra, Section 50			23,534.00
Estimated interest accrued at 4.75%			2,111.11
Land acquisition			
5.36-acre site to Sunterra, Section 53			
right-of-way		269,835.36	
Estimated interest accrued at 4.75%		<u>34,799.52</u>	<u>304,634.88</u>
Total estimated amounts reimbursable to developer			<u><u>\$ 2,030,961.79</u></u>

Waller County Municipal Utility District No. 35
Comparison of Actual Costs With Cost Summary
as Approved By the District
Schedule B
August 12, 2024

	Estimated Amounts Reimbursable to Developer	Amounts Paid Previously by District
Construction Costs		
Developer contribution items:		
Sunterra, Section 50	\$ 405,868	\$ -
Sunterra, Section 53	1,119,741	-
Engineering and materials testing	97,533	-
Land cost for right of way	304,635	-
Total developer contribution items	<u>1,927,777</u>	<u>-</u>
Nonconstruction Costs		
Legal fees	-	-
Financial Advisor fees	-	-
Developer interest	103,185	-
Capitalized interest	-	-
Bond discount	-	-
Bond issuance costs	-	-
Engineering fees	-	-
Attorney General fee	-	-
Total nonconstruction costs	<u>103,185</u>	<u>-</u>
Total bond issue	<u>\$ 2,030,962</u>	<u>\$ -</u>

Total Amounts Paid	Projected Amounts	Actual and Estimated	Cost Summary Total	Variance- Actual Over (Under)
\$ 405,868	\$ -	\$ 405,868	\$ 405,268	\$ 600
1,119,741	-	1,119,741	1,119,741	-
97,533	-	97,533	97,533	-
304,635	-	304,635	304,635	-
<u>1,927,777</u>	<u>-</u>	<u>1,927,777</u>	<u>1,927,177</u>	<u>600</u>
-	69,625	69,625	69,625	-
-	47,700	47,700	47,700	-
103,185	-	103,185	103,160	25
-	113,288	113,288	113,288	-
-	71,550	71,550	71,550	-
-	29,615	29,615	29,615	-
-	20,500	20,500	20,500	-
-	2,385	2,385	2,385	-
<u>103,185</u>	<u>354,663</u>	<u>457,848</u>	<u>457,823</u>	<u>25</u>
<u>\$ 2,030,962</u>	<u>\$ 354,663</u>	<u>\$ 2,385,625</u>	<u>\$ 2,385,000</u>	<u>\$ 625</u>

Exhibit K

**RESOLUTION TO COMPLY WITH THE
SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12**

WHEREAS, Waller County Municipal Utility District No. 35 (the "District"), has been legally created and operates pursuant to the general laws of the State of Texas applicable to conservation and reclamation districts; and

WHEREAS, the Securities and Exchange Commission (the "SEC") approved final amendments to SEC Rule 15c2-12 (the "Rule") which prohibit municipal securities dealers from recommending municipal securities for purchase or sale unless the Issuer of such securities commits to make available ongoing information about its financial condition in the secondary market; and

WHEREAS, the Rule requires that all Issuers of municipal securities (which are not exempt from the requirements of the Rule) must agree to provide certain information vendors with annual financial information and operating data as well as timely notice of certain material events about the District and any "Obligated Person"; and

WHEREAS, an Obligated Person is any person or entity that has committed by contract to support payment of all or part of the municipal securities; and

WHEREAS, the District operates pursuant to the contract for financing and operation and maintenance of regional facilities (the "Regional District Contract"), which has previously been approved by the voters of the District; and

WHEREAS, Harris-Waller Counties Municipal Utility District No. 4 (the "Regional District") has issued its \$12,480,000 Contract Revenue Bonds, Series 2022, \$10,400,000 Contract Revenue Road Bonds, Series 2022, \$14,250,000 Contract Revenue Bonds, Series 2023, \$16,085,000 Contract Revenue Road Bonds, Series 2023, and is in the process of issuing its \$15,770,000 Contract Revenue Bonds, Series 2024, and its \$16,395,000 Contract Revenue Road Bonds, Series 2024 (the "Bonds"); and

WHEREAS, Harris-Waller Counties Municipal Utility District No. 4 in the future, intends to issue additional contract revenue bonds pursuant to the Regional District Contract ("Additional Bonds"); and

WHEREAS, under the terms of the Rule, the Regional District must agree, in its Bond Resolution, to provide the required updated information about its own financial condition and operations and the financial information and operating data of all Obligated Persons; and

WHEREAS, the District is an Obligated Person for purposes of the Rule, because pursuant to the Regional District Contract, the District is obligated to pay its pro rata share of the debt service on the Bonds and any Additional Bonds; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35 THAT:

Section 1: The Board of Directors of the District hereby agrees to furnish the Regional District a copy of its audited financial statements, an update to the District's financial information and operating data included in the Regional District final Official Statement prepared in connection with the issuance of the Bonds and any Additional Bonds, and such other information the Regional District may require in order to comply with the Rule no later than five months after the end of the District's fiscal year.

Section 2: The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board of Directors.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this _____ day of _____, 2024.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

Exhibit L

**GENERAL CERTIFICATE
OF WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 35**

THE STATE OF TEXAS §
 §
COUNTIES OF WALLER §

We, the undersigned President and Secretary, respectively, of the Board of Directors of Waller County Municipal Utility District No. 35 (the "District"), do hereby execute and deliver this certificate for the benefit of the Attorney General of Texas and all other persons interested in the Harris-Waller Counties Municipal Utility District No. 4 Contract Revenue Bonds, Series 2024, and its Contract Revenue Road Bonds, Series 2024 (the "Bonds"), now in the process of issuance. We certify the following:

(1) That the District is a duly created and organized municipal utility district operating pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, as amended.

(2) That the Board of Directors is composed of the following persons, each of whom serves in the capacity indicated:

Victoria A. Battistini	President
Ryan C. Ward	Vice President
Jaclyn Day	Secretary
Daniel C. Feiler	Assistant Secretary
Tiffani S. Walker	Assistant Secretary

(3) That each member of the Board of Directors has duly qualified as a member of the Board of Directors of the District by executing the sworn statement (when required), by executing the bond required by law, and by taking the official oath of office prescribed by the Constitution for public officers; that each such bond was duly approved by the Board of Directors of the District; and that each such bond, sworn statement and oath are filed and retained in the District's records and with the Secretary of State, as required by law.

(4) That other than the District's contractual obligations with respect to the \$12,480,000 Contract Revenue Bonds, Series 2022, the \$10,400,000 Contract Revenue Road Bonds, Series 2022, the \$14,250,000 Contract Revenue Bonds, Series 2023, the \$16,085,000 Contract Revenue Road Bonds, Series 2023, and the Bonds, now in the process of issuance, in addition to the District's \$4,210,000 Unlimited Tax Road Bonds, Series 2023, and the \$1,170,000 Unlimited Tax Bonds, Series 2024, and the \$2,385,000 Unlimited Tax Road Bonds, Series 2024, both now in the process of issuance, the District has no outstanding indebtedness payable from taxes.

(5) That all data required by law to be filed with the Texas Commission on Environmental Quality has been so filed.

(6) That the District has complied with all of the terms and conditions imposed by the City of Houston in connection with the issuance of bonds and its consent to the creation of and the inclusion of land within the District.

(7) That the Contract for Financing, Operation, and Maintenance of Regional Facilities (the "Regional District Contract"), effective August 10, 2021, was duly approved by the Board of Directors of the District, and the execution and performance of said Regional District Contract were duly authorized at a meeting of the Board of Directors of the District at which all actions or proceedings taken in connection with the approval of said Regional District Contract were open to the public and notice of the time, place, and subject of each such meeting was given as required by Chapter 551, Government Code and Chapter 49.063, Texas Water Code.

(8) That the Regional District Contract is in full force and effect and has not been amended or rescinded.

(9) That there has been no default under the Regional District Contract.

(10) That no litigation is pending or threatened concerning the title or authority of the officers and directors of the District or concerning the Regional District Contract.

(11) That the Board of Directors will adopt an Order Levying Taxes for tax year 2024 and will levy a contract tax for the purpose of paying the District's pro rata share of the Outstanding Bonds.

(12) That, to the extent applicable to the District, the District has complied with the Voting Rights Act of 1965, as amended, and Chapter 272 of the Texas Election Code.

(13) That upon approval of the Bonds, the Attorney General is authorized and respectfully requested to insert the date, which date is to be the same as your approval date.

[EXECUTION PAGE FOLLOWS]

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF THE DISTRICT on _____, 2024.

Secretary, Board of Directors
Waller County Municipal Utility
District No. 35

President, Board of Directors
Waller County Municipal Utility
District No. 35

(SEAL)

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The instrument was acknowledged before me on the ____ day of _____, 2024,
by _____ as President and _____ as Secretary of Waller County
Municipal Utility District No. 35, a political subdivision of the State of Texas, on behalf of
said political subdivision.

(NOTARY SEAL)

Notary Public State of Texas

Exhibit M

TAX COLLECTOR'S OATH

Waller Co. MUD#35

STATE OF TEXAS

COUNTY OF Waller

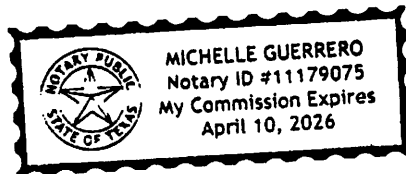
BRENDA MCLAUGHLIN, BEING duly sworn, states that she is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Brenda McLaughlin
BRENDA MCLAUGHLIN

SWORN TO AND SUBSCRIBED BEFORE ME, this 6th day of August, 2024.

Michelle Guerrero
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on _____.

WALLER COUNTY M.U.D. #35
TAX ASSESSOR/COLLECTOR'S REPORT

7/31/2024

Taxes Receivable: 8/31/2023	\$	22.50	
Reserve for Uncollectables	(	.00)	
Adjustments		<u>.00</u>	\$ <u>22.50</u>

Original 2023 Tax Levy	\$	555,611.07	
Adjustments	(	<u>3,946.06</u>)	<u>551,665.01</u>

Total Taxes Receivable	\$	551,687.51	
-------------------------------	-----------	-------------------	--

Prior Years Taxes Collected	\$	22.50	
-----------------------------	----	-------	--

2023 Taxes Collected (99.6%)		<u>549,632.85</u>	<u>549,655.35</u>
-------------------------------	--	-------------------	-------------------

Taxes Receivable at: 7/31/2024	\$	<u>2,032.16</u>	
---------------------------------------	-----------	------------------------	--

2023 Receivables:

Maintenance	826.41
-------------	--------

Contract	1,205.75
----------	----------

bob leared interests

11111 Katy Freeway, Suite 725
Houston, Texas 77079-2197

Phone: (713) 932-9011
Fax: (713) 932-1150

WALLER COUNTY M.U.D. #35

	Month of 7/2024	Fiscal to Date 6/01/2024 - 7/31/2024
Beginning Cash Balance	\$ 7,302.12	9,633.00
Receipts:		
Current & Prior Years Taxes	1,913.65	1,891.15
Penalty & Interest	140.55	140.55
Additional Collection Penalty	5.31	5.31
Tax Certificates		200.00
Erroneous Payment		22.50
TOTAL RECEIPTS	\$ 2,059.51	2,259.51
Disbursements:		
CAD Quarterly Assessment		1,783.50
Refund - erroneous payments	22.50	22.50
Tax Assessor/Collector Fee	500.00	1,000.00
Postage/Deliveries	123.89	229.57
Supplies	52.44	52.44
Tax Certificates	200.00	200.00
Additional Services - BLI	360.00	360.00
Records Maintenance	30.00	30.00
Copies	337.04	337.04
Mileage Expense	6.70	13.40
Envelopes - May Del Stmts	2.10	2.10
Positive Pay	25.00	50.00
SB2 Webpage	55.00	165.00
TOTAL DISBURSEMENTS	(\$ 1,714.67)	(4,245.55)
CASH BALANCE AT: 7/31/2024	\$ 7,646.96	7,646.96

WALLER COUNTY M.U.D. #35

Disbursements for month of August, 2024

Check #	Payee	Description	Amount
1037	WCAD	CAD Cost, Estimate of value	\$ 1,500.00
1038	Bob Leared	Tax Assessor/Collector Fee	613.24
TOTAL DISBURSEMENTS			\$ 2,113.24
Remaining Cash Balance			\$ 5,533.72

Stellar Bank

WALLER COUNTY M.U.D. #35

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 7/2024	Adjustments To Collections 7/2024	Total Tax Collections at 7/31/2024	Total Taxes Receivable at 7/31/2024	Collection Percentage
2023	1,913.65		549,632.85	2,032.16	99.632
2022			222,852.87		100.000
	(Percentage of collections same period last year			99.990	)

WALLER COUNTY M.U.D. #35

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2023	36,777,666	14 / 14	1.500000	3,946.06-		551,665.01
2022	12,010,068	03 / 03	1.500000	42,701.85		222,852.87

WALLER COUNTY M.U.D. #35

TAX RATE COMPONENTS

Year	Maintenance Rate	Maintenance Levy	Contract Rate	Contract Levy
2023	.610000	224,343.79	.890000	327,321.22
2022	1.500000	222,852.87		

WALLER COUNTY M.U.D. #35

Notes:

2022	Agriculture Deferment	291,608.85
2023	Agriculture Deferment	299,025.90
	Total --->	590,634.75

WALLER COUNTY M.U.D. #35

Tax Exemptions:	2023	2022	2021
Homestead	.00000	.00000	.00000
Over 65	0	0	0
Disabled	0	0	0

Last Bond Premium Paid:

Payee	Date of Check	Amount
McDonald & Wessendorff	2/07/2024	50.00
3/31/24-3/31/25		

Adjustment Summary:	2023	
10/2023	/ CORR 005	3,519.73-
12/2023	/ CORR 007	202.74-
1/2024	/ CORR 008	223.59-
TOTAL		3,946.06-

WALLER COUNTY M.U.D. #35
Homestead Payment Plans

<u>Account no.</u>	<u>Tax</u> <u>Year</u>	<u>Last</u> <u>Payment</u> <u>Amount</u>	<u>Last</u> <u>Payment</u> <u>Date</u>	<u>Balance</u> <u>Due</u>
*Total	Count 0			
(I) - BLI Contract			(A) - Delinquent Attorney Contract	

Standard Payment Plans

<u>Account no.</u>	<u>Tax</u> <u>Year</u>	<u>Last</u> <u>Payment</u> <u>Amount</u>	<u>Last</u> <u>Payment</u> <u>Date</u>	<u>Balance</u> <u>Due</u>
*Total	Count 0			

Exhibit N

Waller County MUD #35

OPERATIONS REPORT

August 12, 2024

submitted by



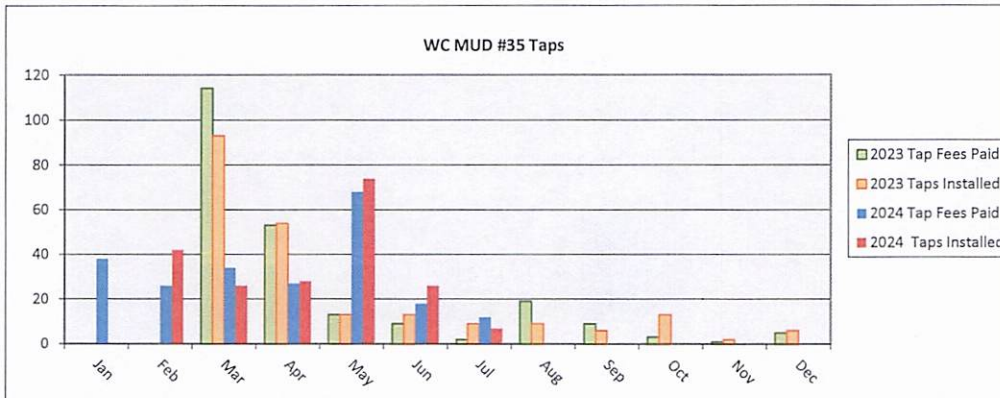
MUNICIPAL
DISTRICT
SERVICES

I. Billing and Collections

Connections	6/25/2024	Billed Usage	
Residential:	208	Residential:	1.56
Builder:	207	Builder:	0.779
Commercial:	0	Commercial:	0
Irrigation:	5	Irrigation:	0.861
Temporary:	3	Temporary:	0
Rec Center:	0	Rec Center:	0
Vacant:	2	Vacant:	0
Total Connections:	425	Final Accounts:	0.265
		Total Billed Usage:	3.465
Collections as of	7/3/2024	Billing as of	6/25/2024
Penalty:	\$856.54	Penalty:	\$1,357.99
Water:	\$24,754.42	Water:	\$29,395.40
Sewer:	\$14,330.71	Sewer:	\$18,876.53
Deposit:	\$38,987.15	Deposit:	\$8,950.00
Inspection:	\$0.00	Backflow Annual Fee:	\$0.00
Back Charge:	\$1,640.79	Back Charge:	\$4,440.78
Delinquent Letter Fee	\$254.75	Inspection:	\$1,373.00
Inspection:	\$181.91	Rental Meter Fee:	\$275.00
Rental Meter Fee:	\$70.00	Transfer Fee:	\$1,320.00
Returned Pmt Fee:	\$11.00	Arrears:	\$21,040.02
Reconnect Fee:	\$600.00	Credits:	(\$758.73)
Transfer Fee:	\$960.00	Net Receivable:	\$86,269.99
Deposits Applied:	\$9,400.00		
Total Collections:	\$92,047.27		
Customer Aged Receivables			
30 Day:	\$22,533.26		
60 Day:	\$5,814.58		
90 Day:	\$3,086.47		
Overpayments:	(\$9,036.30)		
Total Receivables:	\$22,398.01		

II. Tap Activity

• Taps fees paid in the month of July:	12
• Total tap fees paid to date:	451
• Taps installed in the month of July:	7
• Total taps installed to date:	421



III. Repairs and Maintenance over \$1000

- Repaired service line leak at 3020 Andiamo Ln.
- Cleaned and televised main line to identify the location of sanitary sewer wye connection at 3016 Courtney Coral Ln.
- Hydra jetted District line to clear blockage at 4604 Spoon Bill Cove Dr.
- Installed new sanitary sewer wye at 3016 Courtney Coral Ln.
- Lowered 2 sanitary sewer manholes to grade in District.

IV. Action Items

- Authorize submittal of write off accounts to the collection agency.
- Authorize service termination of delinquent accounts.

Sunterra

DISTRICT

As of 08/05/2024

	HC569 Total	HWC4 Total	HWC5 Total	WC35 Total	WC37 Total	Grand Total
Builder						
		1				1
ADAMS HOMES LONE STAR LLC			54			54
ANGLIA HOMES, LP	3		1		47	51
ASHTON WOODS HOMES	32		45		123	200
BEAZER HOMES C/O RADIUSPOINT DEPT 1	110					110
BRIGHTLAND HOMES	35		85	57	29	206
CASTLEROCK COMMUNITIES	3		42		46	91
CHESMAR HOMES	1		88		41	130
COLINA HOMES			79		8	87
DAVIDSON HOMES LLC	1				86	87
DL MEACHAM CONSTRUCTION			1			1
DR HORTON	2		26	238	129	395
EHT OF TEXAS, LP			70			70
EVERGREEN LIFESTYLES MANAGEMENT/ SU			2		6	8
GBFR SUNTERRA LP	1					1
HAMILTON THOMAS HOMES			24			24
HIGHLAND HOMES			134			134
HISTORY MAKER HOMES	1		102		40	143
KA GREAT MINDS WEST LLC		1				1
KATY 1093 LTD			1			1
KATY INDEPENDENCE SCHOOL DISTRICT					1	1
KB HOMES	1		1	43	125	170
LENNAR HOMES	246		112	84	106	548
LGI HOMES GROUP LLC	1				37	38
LONG LAKE, LTD	40				79	119
MILLIS DEVELOPMENT & CONSTRUCTION	1					1
NUWAY HOMES TEXAS LP	66		128		23	217
ONM LIVING			114			114
PERRY HOMES			75			75
PULTE HOMES, LP			291			291
SHAHYAN KAROWADIYA		2				2
SHEA HOMES HOUSTON LLC			76			76
STARLIGHT HOMES-HOUSTON	61					61
SUNTERRA POA	10		31	6	13	60
TRICOAST HOMES	1				20	21
TRIPLE C LANDSCAPES			3			3
WESTIN HOMES	2		32	23	52	109
Grand Total	618	4	1617	451	1011	3701

Waller County MUD #35

CONFIDENTIAL REPORT

August 12, 2024

submitted by



Date:08/06/2024 Page: 1

Account	Name/Mailing Addr	Phone	Service	Address	CO-Signer	TDL / Soc.Sec	Conn.Date	Last PD Dte	Last Pmt	Final Dte	Balance	Sec. Dep	Day	Deql
							10/20/23			05/01/24	678.84	.00	120	Days
Totals	1										678.84			

DELINQUENT LETTER ACCOUNTS LISTING - DUE 08/12/2024

District: 20 WALLER COUNTY MUD 35

Select Status... Arrears Only

Account Number	Original Amt.	Arrears Amt.	Total Current	Total Balance	Letter Due	Deposit	# Times Delq. + Rent/Own	Total Due Less Deposit (exposure)
020-00882-01	\$ 382.13	\$ 382.13	\$ 113.10	\$ 506.23	\$ 506.23	\$ 250.00	1 Owner	\$ (256.23)
020-00880-01	\$ 378.29	\$ 378.29	\$ 113.10	\$ 502.39	\$ 502.39	\$ 250.00	1 Owner	\$ (252.39)
020-00066-01	\$ 478.29	\$ 478.29	\$ 104.50	\$ 593.79	\$ 593.79	\$ 350.00	1 Owner	\$ (243.79)
020-00974-01	\$ 370.12	\$ 370.12	\$ 104.50	\$ 485.62	\$ 485.62	\$ 250.00	1 Owner	\$ (235.62)
020-00884-01	\$ 342.25	\$ 342.25	\$ 104.50	\$ 457.75	\$ 457.75	\$ 250.00	1 Owner	\$ (207.75)
020-00968-02	\$ 420.81	\$ 420.81	\$ 104.50	\$ 536.31	\$ 536.31	\$ 350.00	1 Renter	\$ (186.31)
020-00972-01	\$ 313.16	\$ 313.16	\$ 108.80	\$ 432.96	\$ 432.96	\$ 250.00	1 Owner	\$ (182.96)
020-00170-02	\$ 240.90	\$ 240.90	\$ 229.20	\$ 481.10	\$ 481.10	\$ 350.00	3 Renter	\$ (131.10)
020-00190-01	\$ 114.95	\$ 114.95	\$ 143.20	\$ 269.15	\$ 269.15	\$ 250.00	3 Owner	\$ (19.15)
020-00048-01	\$ 125.40	\$ 125.40	\$ 117.40	\$ 253.80	\$ 253.80	\$ 250.00	2 Owner	\$ (3.80)
020-00064-01	\$ 125.95	\$ 125.95	\$ 104.50	\$ 241.45	\$ 241.45	\$ 250.00	4 Owner	\$ 8.55
020-00110-02	\$ 114.95	\$ 114.95	\$ 113.10	\$ 239.05	\$ 239.05	\$ 250.00	1 Owner	\$ 10.95
020-00084-01	\$ 114.95	\$ 114.95	\$ 104.50	\$ 230.45	\$ 230.45	\$ 250.00	4 Owner	\$ 19.55
020-00158-01	\$ 114.95	\$ 114.95	\$ 104.50	\$ 230.45	\$ 230.45	\$ 250.00	2 Owner	\$ 19.55
020-00266-01	\$ 114.95	\$ 114.95	\$ 104.50	\$ 230.45	\$ 230.45	\$ 250.00	1 Owner	\$ 19.55
020-00336-01	\$ 104.17	\$ 104.17	\$ 108.80	\$ 223.97	\$ 223.97	\$ 250.00	2 Owner	\$ 26.03
020-00304-01	\$ 146.29	\$ 146.29	\$ 104.50	\$ 261.79	\$ 261.79	\$ 350.00	2 Renter	\$ 88.21
020-00260-02	\$ 136.90	\$ 136.90	\$ 104.50	\$ 252.40	\$ 252.40	\$ 350.00	3 Renter	\$ 97.60
020-00242-02	\$ 114.93	\$ 114.93	\$ 104.50	\$ 230.43	\$ 230.43	\$ 350.00	3 Renter	\$ 119.57
020-00098-01	\$ 93.99	\$ 93.99	\$ 104.50	\$ 209.49	\$ 209.49	\$ 350.00	4 Renter	\$ 140.51
	\$ 4,463.28	\$ 4,463.28	\$ 2,405.20	\$ 7,099.48	\$ 7,099.48	\$ 5,950.00		\$ (1,149.48)

Items Count: 21

Exhibit O



2322 W. Grand Parkway N, Suite 150
Katy, Texas 77449
Tel: 832.913.4000
www.quiddity.com

August 12, 2024

Board of Directors
Waller County Municipal Utility District No. 35
Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 2500
Houston, Texas 77056

Re: Engineering Report
Board Meeting of August 12, 2024

Dear Directors:

This report summarizes our activities during the past month:

9a. Authorizing the design, advertisement for bids and/or award of the construction contracts or concurrence in the award of a contract for the construction of water, sanitary sewer, drainage, and/or paving facilities within the District, and authorize acceptance of a Texas Ethics Commission ("TEC") Form 1295, including:

a) Sunterra Section 47 WS&D and Paving Facilities (Brightland):

- i. Construction plans have been approved, and we are actively bidding the WS&D. We bid the Paving project next month.

Action Item: None

b) Sunterra Section 76 & 77 Paving Facilities (Astro):

- i. The paving bids will be received later this month.

Action Item: None

c) Sunterra Section 78 WS&D and Paving Facilities (Astro):

- i. We are in the approval stage for the section.
- ii. We plan to receive WS&D on August 2, 2024 and are working with the Developer on the award of the project.
- iii. We will receive paving bids in September.

Action Item: None



QUIDDITY

9b. Status of construction contracts, including the approval of any pay estimates, change orders and/or acceptance of facilities for operation and maintenance purposes, and authorize acceptance of TEC Form 1295:

a) Sunterra Section 55 WS&D Facilities:

Original Contract Amount - \$411,593.67

Pay Estimate No. 3: \$19,703.00

Revised Contract Amount – \$405,706.67

CO No. 1: \$

Contractor: Principal Services, Ltd.

- i. Contractor is complete.
- ii. We received Pay Estimate No. 4 & Final for in the amount of \$20,285.35 for Board's approval.
- iii. We received Change Order No. 1 for adjustment to quantities in the amount of -\$5,886.70 for the Board's approval.

Action Item: Approval of Pay Estimate No. 4 & Final and Change Order No. 1

b) Sunterra Section 55 Paving Facilities:

Original Contract Amount - \$306,019.50

Pay Estimate No. 3: \$226,773.67

Revised Contract Amount – \$334,459.75

CO No. 1: \$32,544.25

Contractor: A&M Contractors, Inc.

- i. The project is being accepted into the 1-yr maintenance by Waller County.
- ii. We received Pay Estimate No. 4 & Final for in the amount of \$35,605.98 for Board's approval.
- iii. We received Change Order No. 2 for adjustment to quantities in the amount of -\$4,104.00 for the Board's approval.

Action Item: Approval of Pay Estimate No. 4 & Final and Change Order No. 2

c) Sunterra Section 56 WS&D Facilities:

Original Contract Amount - \$425,250.00

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Fellers & Clark, LP

- i. The contractor is wrapping up first stage utilities.
- ii. We received Change Order No. 1 for replacement and disposal of sanitary manhole materials in the amount of \$7,450.00 for the Board's approval.

Action Item: Approval of Change Order No. 1

d) Sunterra Section 56 Paving Facilities:

Original Contract Amount - \$612,988.99

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Allgood Construction Company, Inc.

- i. Contractor is working on schedule for mobilization.

Action Item: None



QUIDDITY

e) Sunterra Section 65 & 66 WS&D Facilities:

Original Contract Amount - \$1,517,214.37

Pay Estimate No. 2: \$1,165,234.76

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Principal Services, Ltd.

- i. Contractor is working on second stage utilities.

Action Item: None

f) Sunterra Section 65 & 66 Paving Facilities:

Original Contract Amount - \$1,183,547.45

Pay Estimate No. 2: \$182,965.95

Revised Contract Amount – \$

CO No. 1: \$14,234.95

Contractor: Allgood Construction Company, Inc.

- i. Contractor is pouring pavement and curb.
- ii. We received Pay Estimate No. 3 for in the amount of \$461,994.39 for Board's approval.

Action Item: Approval of Pay Estimate No. 3

g) Sunterra Section 67 & 68 WS&D Facilities:

Original Contract Amount - \$1,634,513.35

Pay Estimate No. 1: \$1,319,689.63

Revised Contract Amount – \$

CO No. 1: -\$30,591.65

Contractor: Gonzalez Construction Enterprises, Inc.

- i. Contractor is working on second stage utilities.
- ii. We received Pay Estimate No. 2 in the amount of \$7,040.26 for Board's approval.

Action Item: Approval of Pay Estimate No. 2

h) Sunterra Section 67 & 68 Paving Facilities:

Original Contract Amount - \$1,333,862.00

Pay Estimate No. 1: \$80,650.35

Revised Contract Amount – \$

CO No. 1: \$

Contractor: A&M Contractors, Inc.

- i. Contractor is pouring curb and working on lot grading.
- ii. We received Pay Estimate No. 2 in the amount of \$592,222.50 for Board's approval.

Action Item: Approval of Pay Estimate No. 2

i) Sunterra Section 69 WS&D Facilities:

Original Contract Amount - \$1,199,717.70

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: R Construction Civil, LLC

- i. Contractor is complete with first stage utilities.
- ii. We received Pay Estimate No. 1 in the amount of \$674,013.60 for Board's approval.

Action Item: Approval of Pay Estimate No. 1



QUIDDITY

j) Sunterra Section 69 Paving Facilities:

Original Contract Amount - \$1,050,199.93

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Allgood Construction Company, Inc.

- i. Contractor is working on mobilizing within the next couple of weeks.

Action Item: None

k) Sunterra Section 70 WS&D Facilities:

Original Contract Amount - \$876,500.00

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Fellers & Clark, LP

- i. Contractor is complete with first stage utilities.
- ii. We received Pay Estimate No. 1 in the amount of \$587,689.02 for Board's approval.

Action Item: Approval of Pay Estimate No. 1

l) Sunterra Section 70 Paving Facilities:

Original Contract Amount - \$777,060.22

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Hurtado Construction Company

- i. Contractor will be mobilizing in the next couple of weeks.

Action Item: None

m) Sunterra Section 71 WS&D Facilities:

Original Contract Amount - \$1,057,046.80

Pay Estimate No. 2: \$674,028.00

Revised Contract Amount – \$

CO No. 1: \$0.00

Contractor: TexaSite, LLC

- i. Contractor is complete with first stage utilities.

Action Item: None

n) Sunterra Section 71 Paving Facilities:

Original Contract Amount - \$940,000.00

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Daco Paving, Inc.

- i. Contractor is working on dirt work and stabilization.
- ii. We received Pay Estimate No. 1 in the amount of \$67,828.32 for Board's approval.

Action Item: Approval of Pay Estimate No. 1



QUIDDITY

o) Sunterra Section 72 WS&D Facilities:

Original Contract Amount - \$1,370,314.40

Pay Estimate No. 1: \$115,272.90

Revised Contract Amount – \$

CO No. 1: \$0.00

Contractor: TexaSite, LLC

- i. Contractor is onsite installing first stage utilities.
- ii. We received Pay Estimate No. 2 in the amount of \$710,918.10 for Board's approval.

Action Item: Approval of Pay Estimate No. 2

p) Sunterra Section 72 Paving Facilities:

Original Contract Amount - \$940,069.99

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Allgood Construction Company, Inc.

- i. Contractor is ready to begin paving once utilities are complete.

Action Item: None

q) Sunterra Section 73 WS&D Facilities:

Original Contract Amount - \$1,318,770.80

Pay Estimate No. 1: \$142,106.40

Revised Contract Amount – \$

CO No. 1: \$

Contractor: R Construction Civil, LLC

- i. Contractor complete with first stage utilities.
- ii. We received Pay Estimate No. 2 in the amount of \$878,508.00 for Board's approval.

Action Item: Approval of Pay Estimate No. 2

r) Sunterra Section 73 Paving Facilities:

Original Contract Amount - \$1,112,197.25

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Hassell Construction Group, LLC

- i. Contractor is onsite cutting streets.

Action Item: None

s) Sunterra Section 74 WS&D Facilities:

Original Contract Amount - \$1,551,371.15

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Blazey Construction Services, LLC

- i. Contractor is installing first stage utilities.
- ii. We received Pay Estimate No. 1 in the amount of \$704,089.71 for Board's approval.

Action Item: Approval of Pay Estimate No. 1



QUIDDITY

t) Sunterra Section 74 Paving Facilities:

Original Contract Amount - \$1,157,989.35

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Allgood Construction Company, Inc.

- i. Contractor is ready to begin paving once the utilities are complete.

Action Item: None

u) Sunterra Section 75 WS&D Facilities:

Original Contract Amount - \$1,164,281.80

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Bay Utilities, LLC

- i. Contractor is installing first stage utilities.
- ii. We received Pay Estimate No. 1 in the amount of \$84,304.80 for Board's approval.

Action Item: Approval of Pay Estimate No. 1

v) Sunterra Section 75 Paving Facilities:

Original Contract Amount - \$906,745.92

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Hurtado Construction Co.

- i. Contractor is ready to begin paving once the utilities are complete.

Action Item: None

w) Sunterra Section 76 & 77 WS&D Facilities:

Original Contract Amount - \$1,670,098.26

Pay Estimate No. 1: \$

Revised Contract Amount – \$

CO No. 1: \$

Contractor: Blazey Construction Services, LLC

- i. Contractor is ordering material and preparing to mobilize.

Action Item: None

9c. Acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District:

a) Special Warranty Deed conveying recreational sites to the District

9d. Review and approval of Stormwater Quality Management Plans related to construction Contracts.

a) None at this time.

9e. Status of acceptance by Waller County of Streets for maintenance; authorize any action required in connection therewith.

a) Sunterra Sec 49: We are awaiting the completion of the punchlist by the contractor.

9f. Status of the Summary of Costs for Series 2025 WS&D Bonds and BAN and 2024 Road Bond.

a) 2024 Road Bond: Summary of Cost is complete and updated. The updated SOC is attached for your review.



QUIDDITY

- b) **2025 WS&D Bond w/ BAN:** We have begun preparing the draft Summary of Cost and bond report. We are awaiting final bond values to complete the full draft.

Should you have any questions or need any additional information, please call.

Sincerely,

Blair M. Bozoarth, PE

Enclosures

cc/enc: Ms. Christina Cole—Schwart, Page & Harding, L.L.P.

BMB/

K:\17165\17165-0900-00 WCMUD No. 35 General Consultation- 2021\Meeting Files\Status Reports\2024\08 - August\WALLER COUNTY MUD NO. 35 ENGINEERING REPORT.docx



SUMMARY OF COST
WALLER COUNTY MUNICIPAL UTILITY DISTRICT No. 35
ROAD BOND ISSUE No. 2 - \$2,385,000
BOND APPLICATION
SERIES 2024

<u>Construction Costs</u>	<u>District Share</u>
A. District Items	
1. Sunterra Sec 50 Paving	
Construction	\$ 405,268 ⁽¹⁾
Engineering and Testing	\$ 97,533
2. Sunterra Sec 53 Paving	
Construction	\$ 1,119,741 ⁽²⁾
Engineering and Testing	\$ -
3. Land Cost for Right of Way (Includes Interest)	\$ 304,635 ⁽³⁾
Total District Contribution Items	\$ 1,927,177
TOTAL CONSTRUCTION COSTS (79.81% of BIR)	\$ 1,927,177
<u>Nonconstruction Costs</u>	
A. Legal Fees	\$ 69,625
B. Fiscal Agent Fees (2%)	47,700
C. Interest	
1. Developer Interest (4.75%)	103,161
2. Capitalized Interest - 12 Months (4.75%)	113,288
D. Bond Discount (3%)	71,550
E. Bond Issuance Expense	29,615
F. Engineering Fees	20,500
G. Attorney General's Fee (0.10%)	2,385
TOTAL NONCONSTRUCTION COSTS (19.89% of BIR)	\$ 457,823
TOTAL BOND ISSUE REQUIREMENT (BIR)	\$ 2,385,000

Notes:

⁽¹⁾ 35.20% of the total is proposed to be reimbursed in this bond issue. The remaining 64.80% of total was reimbursed in Road Bond Issue No. 1 and with Surplus Funds from Road Bond Issue No. 1.

⁽²⁾ 76.50% of the total is proposed to be reimbursed in this bond issue. The remaining 23.50% of total construction cost and 100% of Engineering & Testing will be reimbursed in future bond issue.

⁽³⁾ The land cost for Sunterra Sec 53 ROW and associated interest is included.

Exhibit P

Exhibit A
Facilities

Restricted Reserves "A", "B" and "C", of Sunterra Section 46, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2301020 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "B", "C", and "D", of Sunterra Section 48, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2400496 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "B", "C", "D", "E", "F", "G" and "H", of Sunterra Section 49, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2215868 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "B", "C", "D", "E" and "F", of Sunterra Section 50, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2215869 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "B", and "C", of Sunterra Section 53, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2309708 of the Plat Records of Waller County, Texas.

Restricted Reserves "A" and "B", of Sunterra Section 54, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2314968 of the Plat Records of Waller County, Texas.

Restricted Reserve "A", of Sunterra Section 55, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2406276 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "C", "D", and "E" of Sunterra Section 65, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2406277 of the Plat Records of Waller County, Texas.

Restricted Reserves "A", "B", "C", and "D" of Sunterra Section 66, a subdivision in Waller County, Texas, according to the Plat or plat thereof recorded at Film Code No. 2406279 of the Plat Records of Waller County, Texas.

AGREED to and accepted, to be effective the 12th day of August, 2024.

WALLER COUNTY MUNICIPAL
UTILITY DISTRICT NO. 35

SUNTERRA PROPERTY OWNERS
ASSOCIATION, INC.

By: _____

Title: _____, Board of Directors

By: _____

Title: _____

Exhibit Q

Waller County MUD No. 35

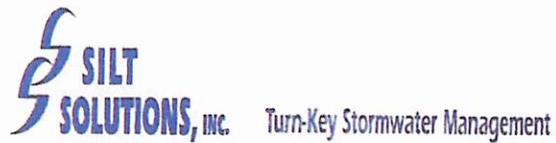
Inspection Date	Section #	Total Inspected	Total Out of Compliance	Builders Out of Compliance per Section
7/15/2024	46	17	12	Gehan (12)
7/22/2024	46	15	8	Gehan (8)
7/29/2024	46	13	9	Gehan (9)
8/5/2024	46	13	9	Gehan (9)
7/15/2024	48	28	8	Davidson (8)
7/22/2024	48	30	8	Davidson (8)
7/29/2024	48	32	5	Davidson (5)
8/5/2024	48	32	5	Davidson (5)
7/15/2024	50	5	4	Westin (4)
7/22/2024	50	4	2	Westin (2)
7/29/2024	50	4	0	
8/5/2024	50	4	2	Westin (2)
7/15/2024	53	35	6	Lennar (3) DR Horton (3)
7/22/2024	53	30	11	Lennar (2) DR Horton (9)
7/29/2024	53	22	4	Lennar (1) DR Horton (3)
8/5/2024	53	18	2	DR Horton (2)

NOTE Remaining Sections within WC MUD No. 35 are not ready for inspections at this time per inspector

SWPPP Inspections Waller County MUD 35

Sunterra Subdivision
Inspection Photo's
August 2024 MUD Meeting

Colin Walton, QCIS
Silt Solutions Inc.
8906 Cresting Ridge Dr
Richmond, TX 77406
colin@siltsolutionsinc.com
713-295-0274 cell



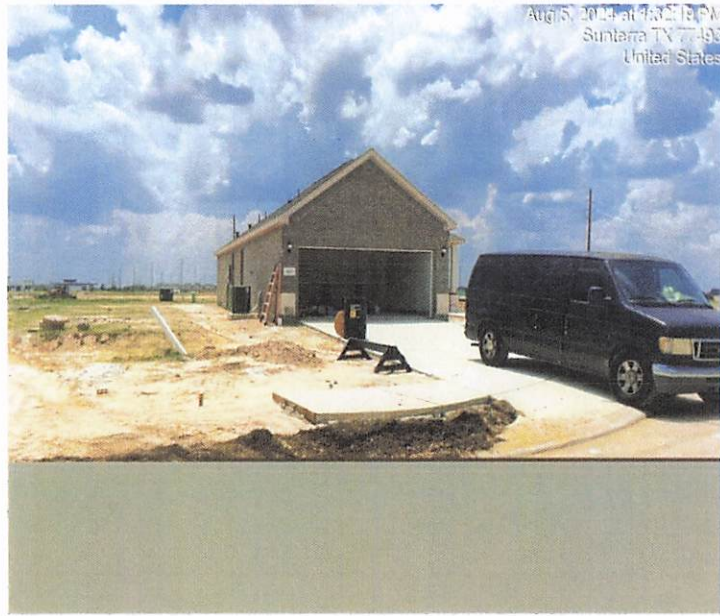
Sec 46 Blk 3 Lot 1



Sec 46 Blk 3 Lot 2



Sec 48 Blk 2 Lot 18



Sec 50 Blk 1 Lot 17



Sec 50 Blk 1 Lot 18



Sec 53 Blk 4 Lot 24



Exhibit R



Waller County Municipal Utility District No. 35

Landscape Architect's Report

August 12, 2024

Landscape Architecture matters, including the following:

- A. Request permission to authorize design/documentation phase, as appropriate, for the following construction projects:
 - i. **None.**
- B. Approve plans and specifications and authorize advertisement for bids for the following construction projects:
 - i. **None.**
- C. Review bids and award contracts, as appropriate, for the following construction projects:
 - i. **None.**
- D. Approve Pay Estimates, change orders, and/or final acceptance, as appropriate, for the following construction projects:
 - Phase 6 Pkg 2: Section 35-36 & 44 Landscape Improvements – Hardscape. Project was awarded 10/25/2023 to DL Meachum. MUD contract executed 12/15/2023, NTP issued 1/30/24. **Approve Change Order #4.**

Item	Amount	Notes
<i>Original Contract</i>	\$ 355,826.75	<i>Comment(s)</i>
Change Order #1	\$ 1,832.00	2/16/24
Pay Application #1	\$ 247,430.83	2/28/24
Change Order #2	\$ 31,872.80	03/18/2024
Pay Application #2	\$ 42,809.64	03/25/2024
Pay Application #3	\$ 24,658.02	04/24/2024
Change Order #3	\$ 2,650.50	04/05/2024
Change Order #4	\$ 29,686.00	04/29/2024
Pay Application #4	\$ 16,069.35	04/27/2024
Change Order #4	\$ (16,163.00)	07/24/2024
Current Contract Value	\$ 376,019.05	
Balance to Finish	\$ 61,214.21	



- Phase 6 Pkg 2: Section 35-36 & 44 Landscape Improvements - Softscape. Project was awarded 10/25/2023 to Strickscapes. MUD contract executed 12/18/2023, NTP issued 11/17/23. **No Action.**

Item	Amount	Notes
<i>Original Contract</i>	\$ 961,108.33	<i>Comment(s)</i>
Pay Application #1	\$ 13,638.20	11/16/23
Pay Application #2	\$ 280,084.29	2/29/24
Pay Application #3	\$ 138,684.78	03/29/2024
Change Order #1	\$ 205,578.17	04/12/2024
Pay Application #4	\$ 309,107.46	05/09/2024
Current Contract Value	\$ 1,166,686.50	
Balance to Finish	\$ 425,171.77	

- Phase 6 Pkg 3: Section 45 & 51-52 Landscape Improvements – Softscape & Hardscape. Project was awarded 10/25/2023 to Strickscapes. MUD contract executed 12/20/2023, NTP issued 11/17/23. **No Action.**

Item	Amount	Notes
<i>Original Contract</i>	\$ 1,371,638.33	<i>Comment(s)</i>
Pay Application #1	\$ 19,127.65	11/17/2023
Pay Application #2	\$ 90,869.69	
Pay Application #3	\$ 36,619.43	03/29/2024
Change Order #1	\$ 303,818.54	04/24/2024
Pay Application #4	\$ 694,096.28	05/09/2024
Pay Application #5	\$ 214,756.35	06/05/2024
Current Contract Value	\$ 1,675,456.87	
Balance to Finish	\$ 619,987.48	

- Phase 6 Pkg 4: Section 46 Landscape Improvements – Hardscape. Project was awarded 11/9/23 to Oak Forest Construction. MUD contract executed 1/1/24, NTP issued 1/29/2024. **No Action.**

Item	Amount	Notes
<i>Original Contract</i>	\$ 25,131.50	<i>Comment(s)</i>
Pay Application #1	\$ 12,150.00	2/15/24
Pay Application #2	\$ 9,568.35	03/14/2024
Pay Application #3	\$ 900.00	06/05/2024
Pay Application #4	\$ 2,513.15	06/05/2024
Current Contract Value	\$ 25,131.50	
Balance to Finish	\$ 0.00	



- Phase 6 Pkg 4: Section 46 Landscape Improvements – Softscape. Project was awarded to Silversand Services (formerly Zodega). **Approve Pay Applications #5 & #6.**

Item	Amount	Notes
Original Contract	\$ 57,232.60	Comment(s)
Change Order #1	\$ (16,076.69)	04/08/2024
Pay Application #1	\$ 28,313.97	06/06/2024
Pay Application #2	\$ 6,195.10	06/06/2024
Pay Application #3	\$ 843.75	06/06/2024
Pay Application #4	\$ 843.75	06/06/2024
Pay Application #5	\$ 843.75	07/25/2024
Pay Application #6	\$ 4,115.59	08/02/2024
Current Contract Value	\$ 41,155.91	
Balance to Finish	\$ 0.00	

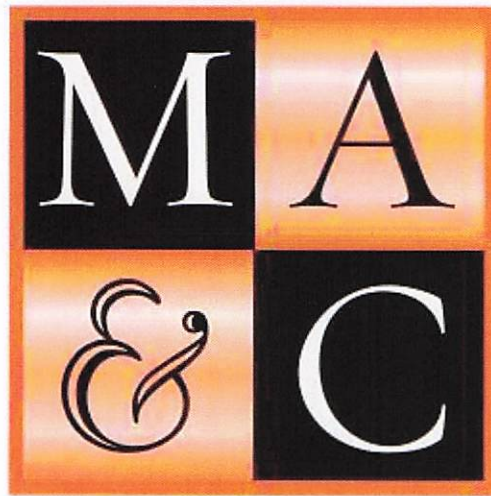
Proposed Action Items:

- A. Phase 6 Pkg 2: Section 35-36 & 44 Landscape Improvements – Hardscape. Project was awarded 10/25/2023 to DL Meachum. MUD contract executed 12/15/2023, NTP issued 1/30/24. **Approve Change Order #4.**
- B. Phase 6 Pkg 4: Section 46 Landscape Improvements – Softscape. Project was awarded to Silversand Services (formerly Zodega). **Approve Pay Applications #5 & #6.**

Sincerely,

Kaitlynn Richter
Project Manager

Exhibit S



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Bookkeeper's Report | August 12, 2024

Waller County Municipal Utility District No. 35



WEBSITE

www.municipalaccounts.com



ADDRESS

1281 Brittmoore Road
Houston, Texas 77043



CONTACT

Phone: 713.623.4539
Fax: 713.629.6859

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Waller County Municipal Utility District No. 35

BOOKKEEPER'S REPORT | 08/12/2024



Spotlight On Your Maintenance & Operations Tax Rate

Special Purpose Districts have the power to levy a Maintenance & Operations tax in order to support and fund the operations of the District. As Districts age and become established, the M&O tax is one of the main revenue streams you can utilize to cover the yearly expenses in the General Operating Fund. The dashboard below illustrates what a \$0.01 to \$0.05 increase could potentially generate in operating revenue.

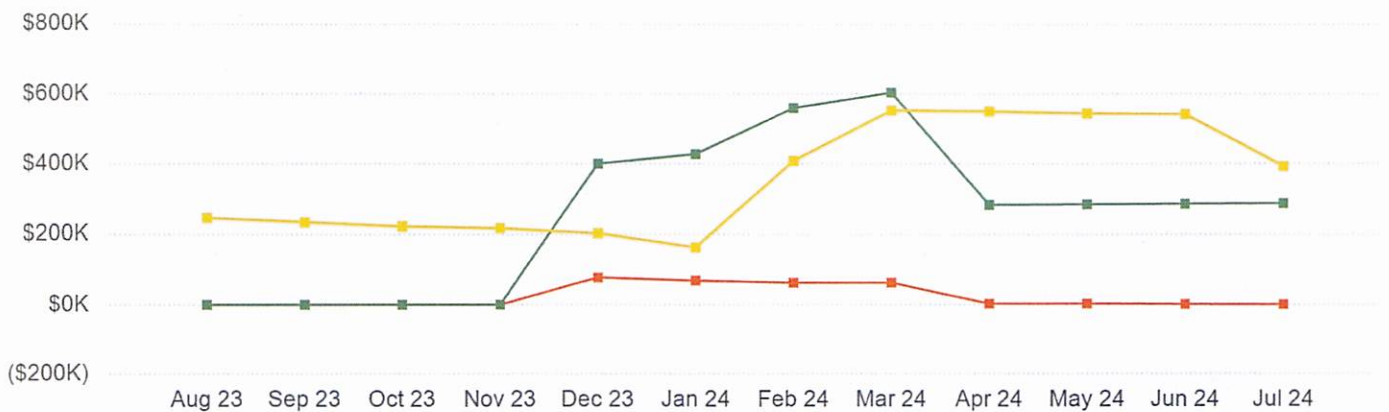
	Increase By	M&O Rate	M&O Revenue	Taxable Value
*Calculations are based on your latest Taxable Value divided by 100 and multiplied by the M&O rate.		\$1.50	\$180,083	\$12,010,068
	+ \$0.01	+ \$1.51	\$181,352	
	+ \$0.02	+ \$1.52	\$182,553	
	+ \$0.03	+ \$1.53	\$183,754	
	+ \$0.04	+ \$1.54	\$184,955	
	+ \$0.05	+ \$1.55	\$186,156	

Account Balance | As of 08/12/2024

General Operating	Capital Projects	Debt Service
\$252,306	\$470	\$287,437

Total For All Accounts: \$540,213

Account Balance By Month | August 2023 - July 2024



Monthly Financial Summary - General Operating Fund

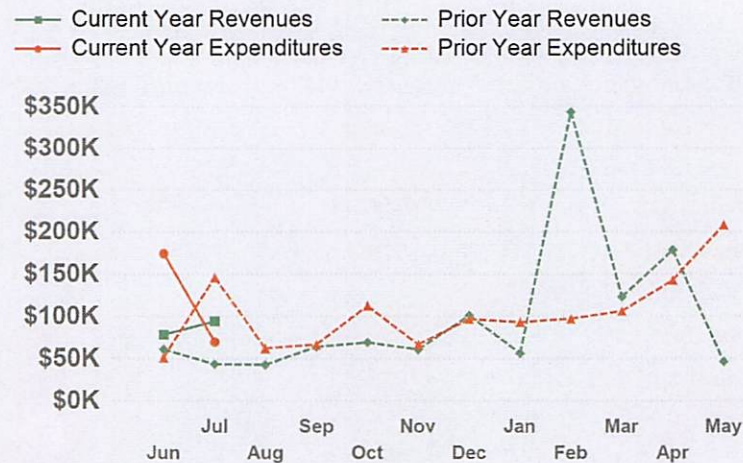
Waller County MUD No. 35 - GOF



Account Balance Summary

Balance as of 07/23/2024	\$301,947
Receipts	208,404
Disbursements	(258,046)
Balance as of 08/12/2024	\$252,306

Overall Revenues & Expenditures By Month (Year to Date)



July 2024

Revenues

Actual	Budget	Over/(Under)
\$94,014	\$85,293	\$8,721

Expenditures

Actual	Budget	Over/(Under)
\$69,663	\$101,502	(\$31,839)

June 2024 - July 2024 (Year to Date)

Revenues

Actual	Budget	Over/(Under)
\$172,323	\$208,870	(\$36,547)

Expenditures

Actual	Budget	Over/(Under)
\$243,759	\$205,669	\$38,090

Operating Fund Reserve Coverage Ratio (In Months)



Cash Flow Report - Checking Account

Waller County MUD No. 35 - GOF



Number	Name	Memo	Amount	Balance
Balance as of 07/23/2024				\$64,372.68
Receipts				
	Transfer from Operator		99,207.08	
	Interest Earned on Checking		15.55	
Total Receipts				\$99,222.63
Disbursements				
1238	Harris-Waller Co. MUD 4	VOID: Connection Fees & Mowing	0.00	
1259	Cuong Vo	Customer Refund	(145.50)	
1260	Eumelia Cervera Rojas	Customer Refund	(147.18)	
1261	Sylvernus Aligbe	Customer Refund	(54.93)	
1262	Tu Casa Realty	Customer Refund	(387.53)	
1263	Best Trash	Garbage Expense	(4,950.40)	
1264	Eurofins JE Resources, Inc	Laboratory Expense	(115.00)	
1265	Harris-Waller Co. MUD 4	Replace Check# 1238	(58,665.66)	
1266	Municipal Accounts & Consulting, L.P.	Bookkeeping Fees	(4,696.44)	
1267	Municipal District Services, LLC	Maintenance & Repairs	(37,995.59)	
1268	On-Site Protection, LLC	Security Expense	(4,478.57)	
1269	Quiddity Engineering, LLC	Engineering Fees	(20,138.25)	
1270	Schwartz, Page & Harding, L.L.P.	Legal Fees	(7,815.87)	
1271	Silt Solutions, Inc.	Stormwater Prevention Plan	(2,350.00)	
1272	Water Utility Services Inc.	Laboratory Expense	(60.00)	
Fees	Central Bank	Service Fee	(5.00)	
HR&P	Jaclyn Day.	Fees of Office 07/22/2024	(233.58)	
HR&P	Daniel Feiler.	Fees of Office 07/22/2024	(217.50)	
HR&P	Ryan Ward.	Fees of Office 07/22/2024	(206.78)	
HR&P	United States Treasury	Payroll Taxes	(101.40)	
HR&P	HR&P	Payroll Administration Fee	(50.00)	
Wire	Waller County MUD No. 35 - GOF	Transfer to Money Market	(15,000.00)	
Total Disbursements				(\$157,815.18)
Balance as of 08/12/2024				\$5,780.13

Cash Flow Report - Operator Account

Waller County MUD No. 35 - GOF



Number	Name	Memo	Amount	Balance
Balance as of 07/23/2024				\$25,429.35
Receipts				
	Accounts Receivable		65,244.97	
	Accounts Receivable		3,336.60	
	Tap Connections (5)		12,160.00	
	Tap Connections (1)		2,407.00	
	Tap Connections (1)		2,407.00	
	Tap Connections (1)		2,532.00	
	Tap Connections (2)		4,814.00	
Total Receipts				\$92,901.57
Disbursements				
Fees	Central Bank	Service Fee	(5.00)	
Fees	Central Bank	Returned Payment	(1,018.51)	
Sweep	Central Bank	Transfer to Checking Account	(99,207.08)	
Total Disbursements				(\$100,230.59)
Balance as of 08/12/2024				\$18,100.33

Actual vs. Budget Comparison

Waller County MUD No. 35 - GOF



		July 2024			June 2024 - July 2024			
		Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Revenues								
Water Revenue								
14101	Water- Customer Service Revenue	43,152	28,920	14,232	71,480	57,840	13,640	241,000
14106	Transfer Fees	1,360	725	635	3,360	1,450	1,910	8,700
Total Water Revenue		44,512	29,645	14,867	74,840	59,290	15,550	249,700
Wastewater Revenue								
14201	Wastewater-Customer Service Rev	20,267	9,590	10,677	28,596	19,180	9,416	137,000
Total Wastewater Revenue		20,267	9,590	10,677	28,596	19,180	9,416	137,000
Property Tax Revenue								
14301	Maintenance Tax Collections	0	0	0	0	38,283	(38,283)	250,000
Total Property Tax Revenue		0	0	0	0	38,283	(38,283)	250,000
Tap Connection Revenue								
14501	Tap Connections	17,400	33,208	(15,808)	40,320	66,417	(26,097)	398,500
14502	Inspection Fees	3,795	5,717	(1,922)	9,614	11,433	(1,819)	68,600
Total Tap Connection Revenue		21,195	38,925	(17,730)	49,934	77,850	(27,916)	467,100
Administrative Revenue								
14702	Penalties & Interest	1,744	1,392	352	3,784	2,783	1,001	16,700
Total Administrative Revenue		1,744	1,392	352	3,784	2,783	1,001	16,700
Interest Revenue								
14801	Interest Earned on Checking	16	25	(9)	17	50	(33)	300
14802	Interest Earned on Temp. Invest	1,280	717	564	2,625	1,433	1,192	8,600
Total Interest Revenue		1,296	742	554	2,642	1,483	1,158	8,900
Other Revenue								
15802	Sunterra POA Contribution	5,000	5,000	0	10,000	10,000	0	60,000
Total Other Revenue		5,000	5,000	0	10,000	10,000	0	60,000
Total Revenues		94,014	85,293	8,721	169,796	208,870	(39,074)	1,189,400

Expenditures

Water Service

16102 Operations - Water	488	2,500	(2,012)	1,281	5,000	(3,719)	30,000
16104 Purchase Water / JWP	0	21,240	(21,240)	22,812	42,480	(19,668)	177,000
16105 Maintenance & Repairs - Water	10,783	6,167	4,617	14,688	12,333	2,355	74,000
16108 Laboratory Expense - Water	0	25	(25)	175	50	125	300
16113 Transfer Expense	1,762	1,250	512	4,667	2,500	2,167	15,000
16117 TCEQ Regulatory Expense - Water	0	0	0	0	0	0	900
Total Water Service	13,034	31,182	(18,148)	43,624	62,363	(18,739)	297,200

Actual vs. Budget Comparison

Waller County MUD No. 35 - GOF



July 2024				June 2024 - July 2024			Annual Budget	
Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)			
Expenditures								
Wastewater Service								
16202	Operations - Wastewater	462	292	170	924	583	340	3,500
16203	Wastewater Inspection Expense	1,362	800	562	4,003	1,600	2,403	9,600
16204	Purchase Wastewater Service	0	13,375	(13,375)	22,812	26,750	(3,938)	160,500
16205	Maint & Repairs - Wastewater	12,583	0	12,583	23,738	0	23,738	0
16217	TCEQ Regulatory Exp-Wastewater	0	0	0	0	0	0	900
Total Wastewater Service		14,407	14,467	(60)	51,477	28,933	22,543	174,500
Garbage Service								
16301	Garbage Expense	4,950	3,358	1,592	9,187	6,717	2,470	40,300
Total Garbage Service		4,950	3,358	1,592	9,187	6,717	2,470	40,300
Storm Water Quality								
16401	SWQ Management	4,290	4,083	207	8,480	8,167	313	49,000
16403	Detention Pond Maintenance	0	7,167	(7,167)	5,648	14,333	(8,686)	86,000
Total Storm Water Quality		4,290	11,250	(6,960)	14,128	22,500	(8,372)	135,000
Tap Connection								
16501	Tap Connection Expense	2,460	13,083	(10,623)	62,880	26,167	36,713	157,000
16502	Inspection Expense	6,419	3,500	2,919	12,316	7,000	5,316	42,000
Total Tap Connection		8,879	16,583	(7,704)	75,196	33,167	42,030	199,000
Administrative Service								
16703	Legal Fees	7,610	8,333	(723)	16,496	16,667	(170)	100,000
16705	Auditing Fees	0	0	0	0	0	0	16,000
16706	Engineering Fees	4,013	2,917	1,097	8,465	5,833	2,631	35,000
16711	Insurance & Surety Bond	0	0	0	2,520	2,666	(146)	3,200
16712	Bookkeeping Fees	4,550	4,950	(400)	8,708	9,900	(1,192)	45,000
16713	Publication Expense (SB622)	0	42	(42)	0	83	(83)	500
16714	Printing & Office Supplies	505	625	(120)	1,098	1,250	(152)	7,500
16715	Filing Fees	4	83	(79)	52	167	(115)	1,000
16716	Delivery Expense	33	225	(192)	90	450	(360)	2,700
16717	Postage	260	175	85	518	350	168	2,100
16718	Meeting Expense	0	500	(500)	422	1,000	(578)	6,000
16722	Bank Service Charge	10	10	0	20	20	0	120
16723	Travel Expense	46	125	(79)	158	250	(92)	1,500
16728	Record Storage Fees	25	10	15	59	20	39	120
Total Administrative Service		17,056	17,995	(939)	38,606	38,656	(50)	220,740
Security Service								
16801	Security Expense	4,479	5,000	(521)	8,688	10,000	(1,312)	60,000
Total Security Service		4,479	5,000	(521)	8,688	10,000	(1,312)	60,000

Actual vs. Budget Comparison

Waller County MUD No. 35 - GOF



	July 2024			June 2024 - July 2024			
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Expenditures							
Payroll Expense							
17101 Payroll Expenses	663	1,108	(445)	1,768	2,217	(449)	13,300
17102 Payroll Administration	50	50	0	100	100	0	600
17103 Payroll Tax Expense	51	83	(33)	135	167	(31)	1,000
Total Payroll Expense	764	1,242	(478)	2,003	2,483	(480)	14,900
Other Expense							
17802 Miscellaneous Expense	1,804	425	1,379	851	850	1	5,100
Total Other Expense	1,804	425	1,379	851	850	1	5,100
Total Expenditures	69,663	101,502	(31,839)	243,759	205,669	38,090	1,146,740
Total Revenues (Expenditures)	24,351	(16,208)	40,560	(73,963)	3,200	(77,163)	42,660
Other Revenues							
Extra Ordinary Revenue							
15902 Transfer From Capital Projects	0	0	0	2,527	0	2,527	0
Total Extra Ordinary Revenue	0	0	0	2,527	0	2,527	0
Total Other Revenues	0	0	0	2,527	0	2,527	0
Total Other Revenues (Expenditures)	0	0	0	2,527	0	2,527	0
Excess Revenues (Expenditures)	24,351	(16,208)	40,560	(71,436)	3,200	(74,636)	42,660

Balance Sheet as of 07/31/2024

Waller County MUD No. 35 - GOF



Assets	
Bank	
11101 Cash in Bank	\$162,781
11102 Operator	18,100
Total Bank	<u>\$180,881</u>
Investments	
11201 Time Deposits	\$213,426
Total Investments	<u>\$213,426</u>
Receivables	
11301 Accounts Receivable	\$95,016
11303 Maintenance Tax Receivable	1,595
Total Receivables	<u>\$96,612</u>
Interfund Receivables	
11401 Due From Capital Projects	\$18,625
11406 Due from Sunterra POA	15,000
Total Interfund Receivables	<u>\$33,625</u>
Total Assets	<u><u>\$524,544</u></u>
Liabilities & Equity	
Liabilities	
Accounts Payable	
12101 Accounts Payable	\$141,266
Total Accounts Payable	<u>\$141,266</u>
Other Current Liabilities	
12202 Due To TCEQ	\$701
Total Other Current Liabilities	<u>\$701</u>
Interfund Payables	
12403 Due To Tax Account	\$8,316
Total Interfund Payables	<u>\$8,316</u>
Deferrals	
12501 Tap Connection Fees Advance	\$66,120
12502 Deferred Inflows Property Taxes	1,595
Total Deferrals	<u>\$67,715</u>
Deposits	
12601 Customer Meter Deposits	\$210,734
Total Deposits	<u>\$210,734</u>
Total Liabilities	<u><u>\$428,732</u></u>
Equity	
Unassigned Fund Balance	
13101 Unassigned Fund Balance	\$167,247
Total Unassigned Fund Balance	<u>\$167,247</u>

Balance Sheet as of 07/31/2024

Waller County MUD No. 35 - GOF

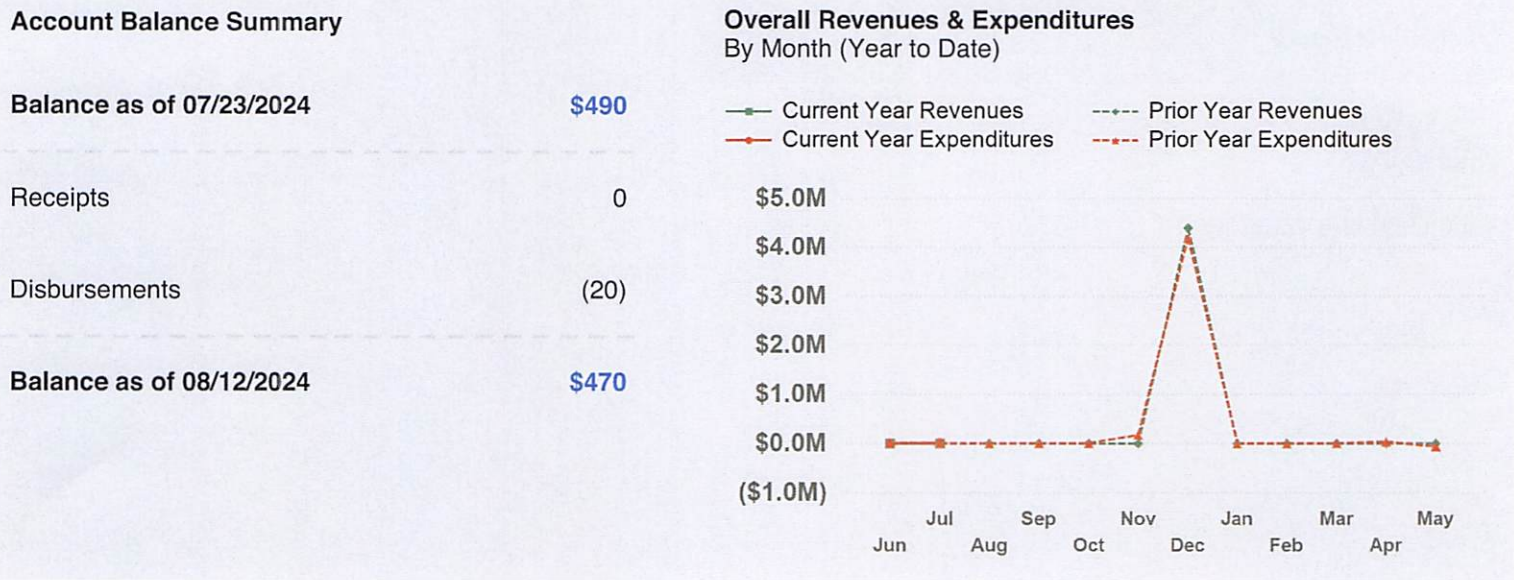


Liabilities & Equity

Equity	
Net Income	(\$71,436)
Total Equity	<u>\$95,811</u>
Total Liabilities & Equity	<u><u>\$524,544</u></u>

Monthly Financial Summary - Capital Projects Fund

Waller County MUD No. 35 - CPF



Account Balance By Month | August 2023 - July 2024



Cash Flow Report - Checking Account
Waller County MUD No. 35 - CPF



Number	Name	Memo	Amount	Balance
Balance as of 07/23/2024				\$490.27
Receipts				
	No Receipts Activity		0.00	
Total Receipts				\$0.00
Disbursements				
Fee	Central Bank	Service Fee	(20.00)	
Total Disbursements				(\$20.00)
Balance as of 08/12/2024				\$470.27

District Debt Summary as of 08/12/2024

Waller County MUD No. 35 - DSF



		WATER, SEWER, DRAINAGE	PARK/ROAD/OTHER	REFUNDING
Total \$ Authorized		Authorized	Authorized	Authorized
\$487.16M		\$290.91M	\$196.25M	\$487.16M
Total \$ Issued		Issued	Issued	Issued
\$4.21M		N/A	\$4.21M	N/A
Yrs to Mat	Rating	\$ Available To Issue	\$ Available To Issue	\$ Available To Issue
25	AA	\$290.91M	\$192.04M	\$487.16M

*Actual 'Outstanding' Refunding Bonds issued below may differ from the 'Issued' total above pursuant to Chapter 1207, Texas Government Code.

Outstanding Debt Breakdown

Series Issued	Original Bonds Issued	Maturity Date	Principal Outstanding
2023 - Road	\$4,210,000	2049	\$4,210,000
Total	\$4,210,000		\$4,210,000

District Debt Schedule

Waller County MUD No. 35 - DSF



Paying Agent	Series	Principal	Interest	Total
Bank of New York	2023 - Road	\$0.00	\$106,703.13	\$106,703.13
Total Due 09/01/2024		\$0.00	\$106,703.13	\$106,703.13

Paying Agent	Series	Principal	Interest	Total
Bank of New York	2023 - Road	\$0.00	\$106,703.13	\$106,703.13
Total Due 03/01/2025		\$0.00	\$106,703.13	\$106,703.13

Investment Profile as of 08/12/2024

Waller County MUD No. 35

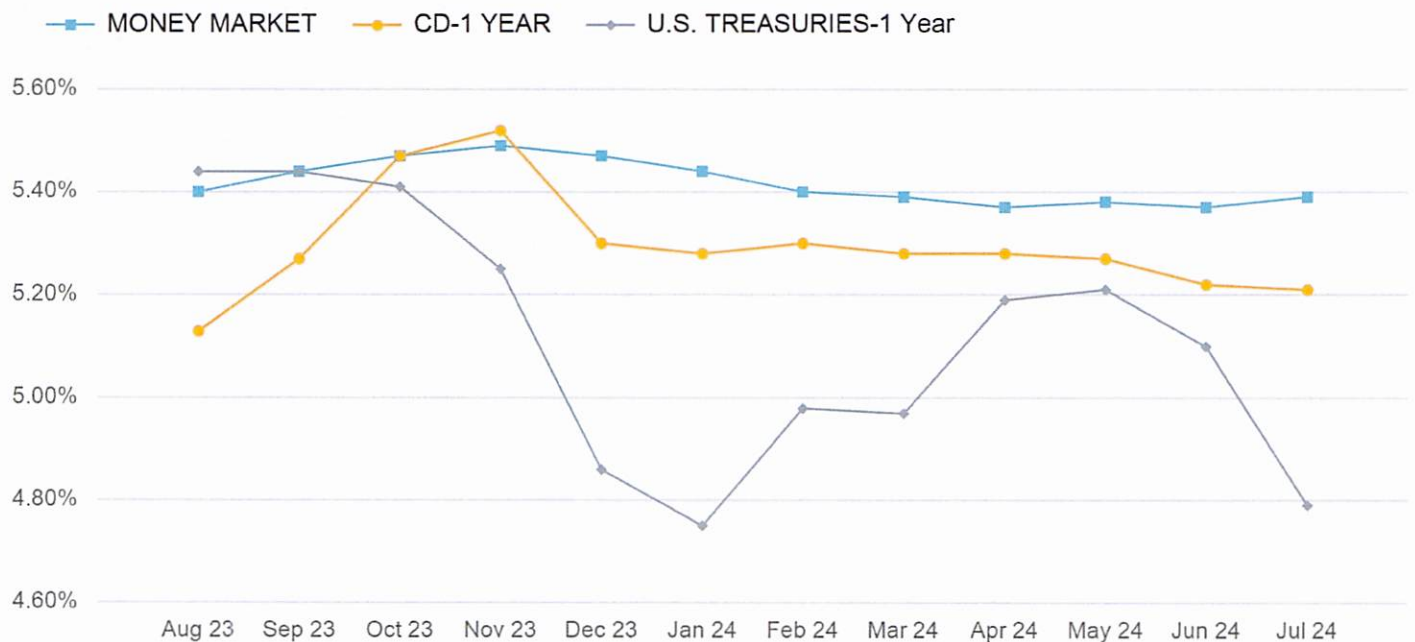


General Operating Fund	Capital Projects Fund	Debt Service Fund	Other Funds
Funds Available to Invest \$252,306	Funds Available to Invest \$470	Funds Available to Invest \$287,437	Funds Available to Invest N/A
Funds Invested \$228,426	Funds Invested \$0	Funds Invested \$287,437	Funds Invested N/A
Percent Invested 91%	Percent Invested 0%	Percent Invested 100%	Percent Invested N/A

Term	Money Market	Term	Certificate of Deposit	Term	U.S. Treasuries
On Demand	5.37%	180 Days	5.31%	180 Days	4.98%
		270 Days	5.18%	270 Days	4.98%
		1 Yr	5.18%	1 Yr	4.48%
		13 Mo	4.68%	13 Mo	N/A
		18 Mo	4.34%	18 Mo	4.48%
		2 Yr	1.92%	2 Yr	4.06%

*Rates are based on the most current quoted rates and are subject to change daily.

Investment Rates Over Time (By Month) | August 2023 - July 2024



Account Balance as of 08/12/2024

Waller County MUD No. 35 - Investment Detail



FUND: General Operating

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Money Market Funds					
TEXAS CLASS (XXXX0001)	07/12/2023		5.43%	228,425.53	
Checking Account(s)					
CENTRAL BANK - CHECKING (XXXX3679)			0.00%	5,780.13	Checking Account
CENTRAL BANK - CHECKING (XXXX8697)			0.00%	18,100.33	Operator
Totals for General Operating Fund				\$252,305.99	

FUND: Capital Projects

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Checking Account(s)					
CENTRAL BANK (XXXX2120)			0.00%	470.27	Cash In Bank
Totals for Capital Projects Fund				\$470.27	

FUND: Debt Service

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Money Market Funds					
TEXAS CLASS (XXXX0002)	11/09/2023		5.43%	2,786.33	Contract Tax
TEXAS CLASS (XXXX0006)	11/30/2023		5.43%	284,650.17	Road
Totals for Debt Service Fund				\$287,436.50	

Grand Total for Waller County MUD No. 35 :

\$540,212.76

Capital Projects Fund Breakdown

WALLER COUNTY MUD 35

As of 8/12/2024

Net Proceeds for All Bond Issues

Receipts

Bond Proceeds - Series 2023 Road	\$4,210,000.00
Interest Earnings - Series 2023 Road	1,009.25

Disbursements

Disbursements - Series 2023 Road	(4,210,538.98)
----------------------------------	----------------

Total Cash Balance	\$470.27
---------------------------	-----------------

Balances by Account

Central Bank - Checking XXX2120	\$470.27
---------------------------------	----------

Total Cash Balance	\$470.27
---------------------------	-----------------

Balances by Bond Series

Bond Proceeds - Series 2023 Road	\$470.27
----------------------------------	----------

Total Cash Balance	\$470.27
---------------------------	-----------------

Remaining Costs/Surplus By Bond Series

Total Surplus & Interest Balance	\$470.27
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Total Remaining Costs/Surplus	\$470.27
--------------------------------------	-----------------

Exhibit T

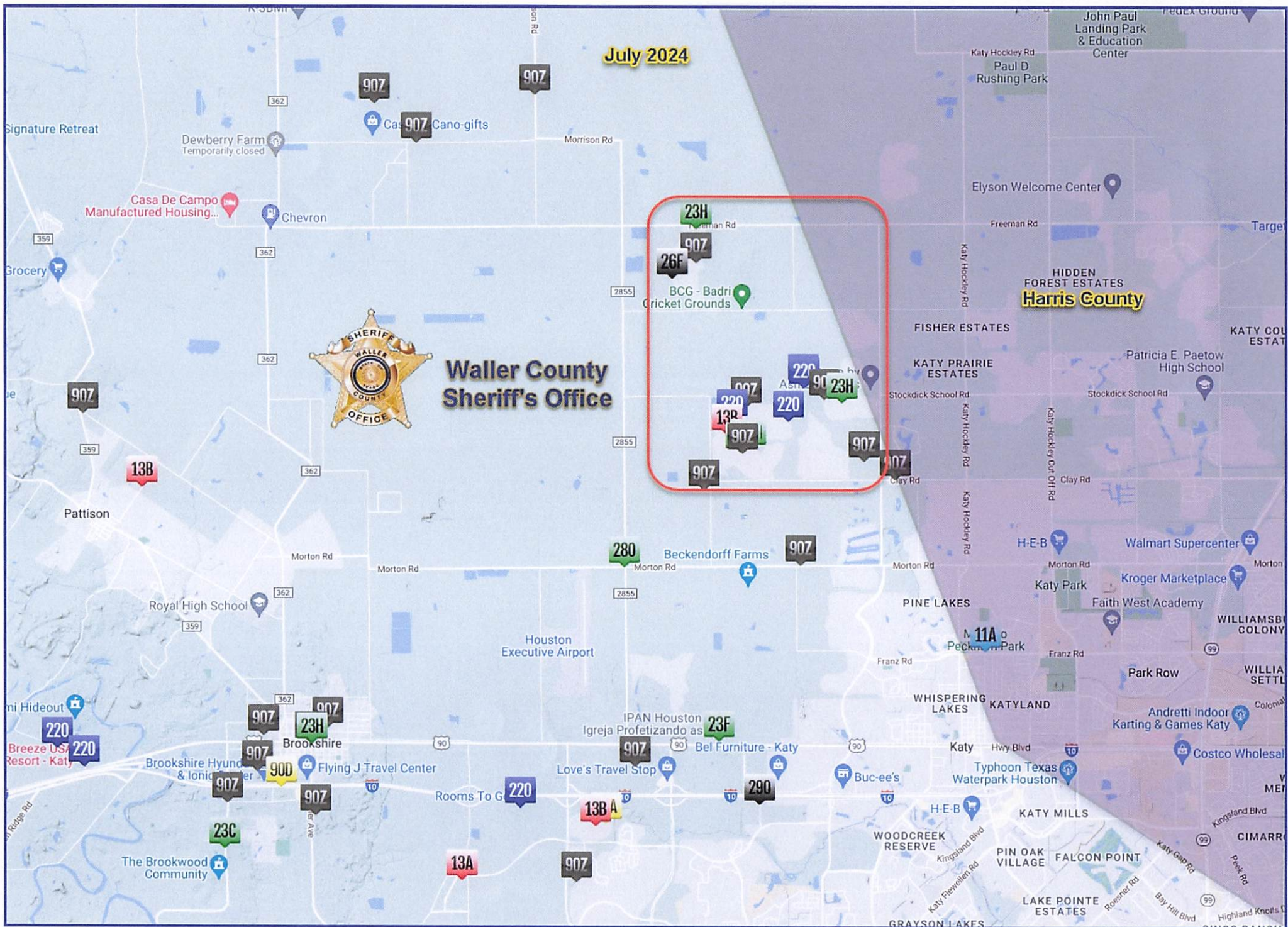


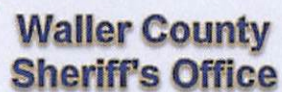
ON-SITE
PROTECTION LLC

To: BOD – Harris-Waller Counties MUD 5 /
Waller County MUD 37 / Harris County MUD 569 / Waller County MUD 35

July 2024

- The rate of reported theft **dropped** for the month of July
- Several arrests were made for theft, the charges were **accepted** by the property owners.
- Time of offenses has continued to occur during the late afternoon, evening and nighttime hours during the during of the week. Appliance theft has been happening during the night.
- Deputies are continuing to patrol the northern and eastern section more closely due to a request from builders complaining about increased material/ appliance theft.
- Additional patrol approved due to juvenile activity around the HOA clubhouse area.





**Waller County
Sheriff's Office**

220 BURGLARY OF HABITATION

THEFT PROP $\geq \$2,500 < \$30K$

THEFT PROP $\geq \$2,500 < \$30K$

BURGLARY OF HABITATION

BURGLARY OF HABITATION

BURGLARY OF HABITATION

THEFT PROP $\geq \$2,500 < \$30K$

23H

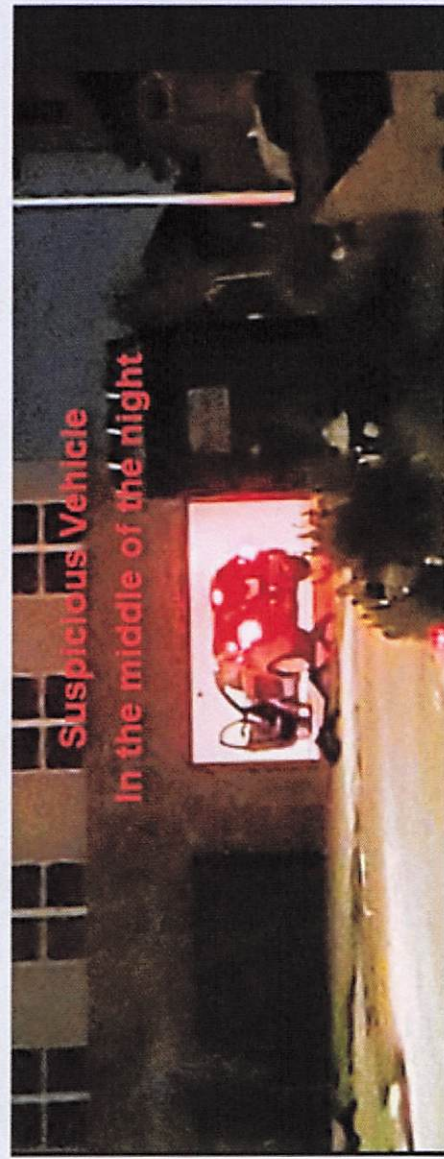
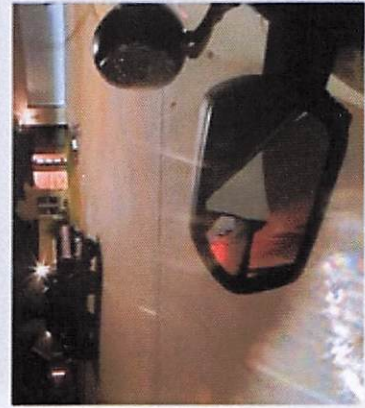
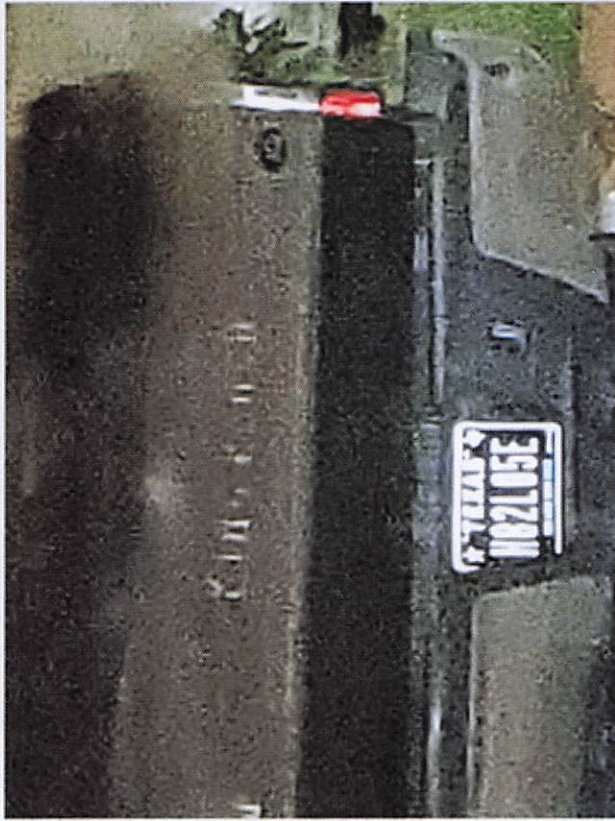
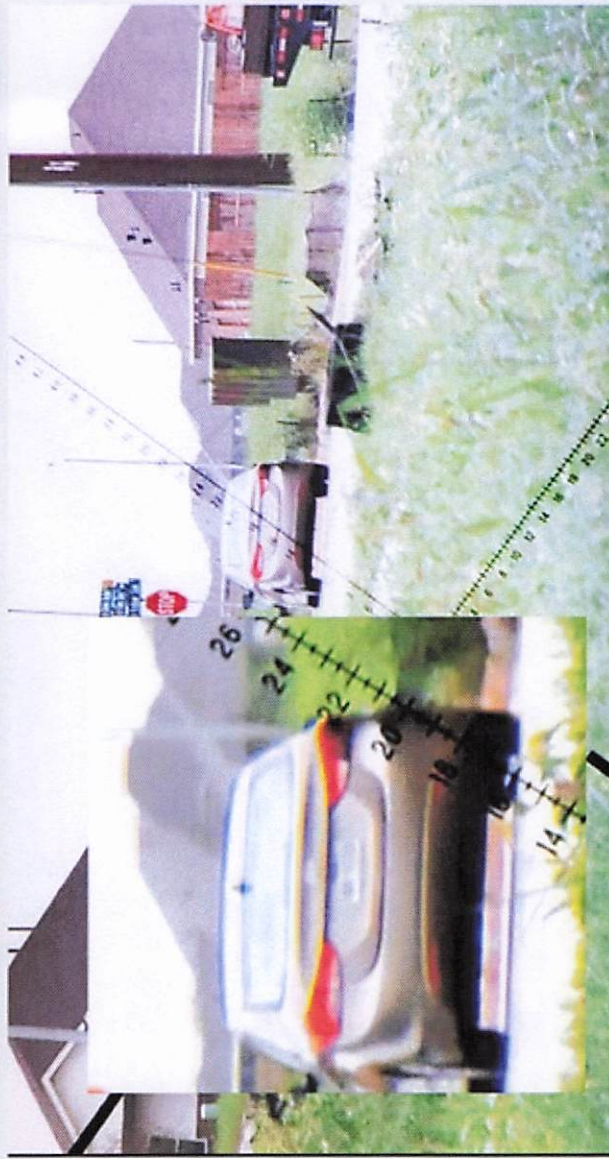
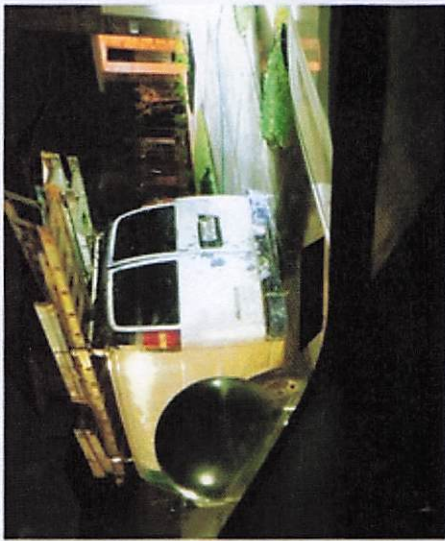
23H

THEFT PROP $\geq \$2,500 < \$30K$

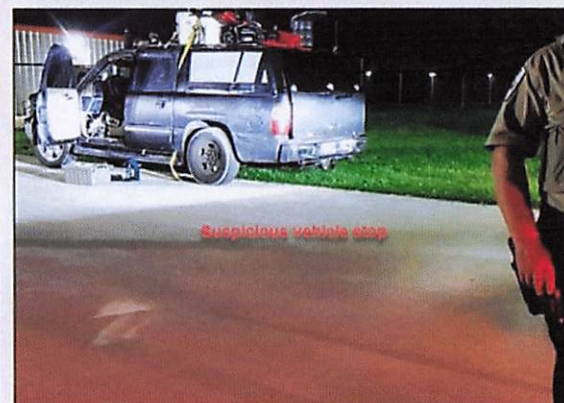
THEFT PROP >=\$2,500<\$30K

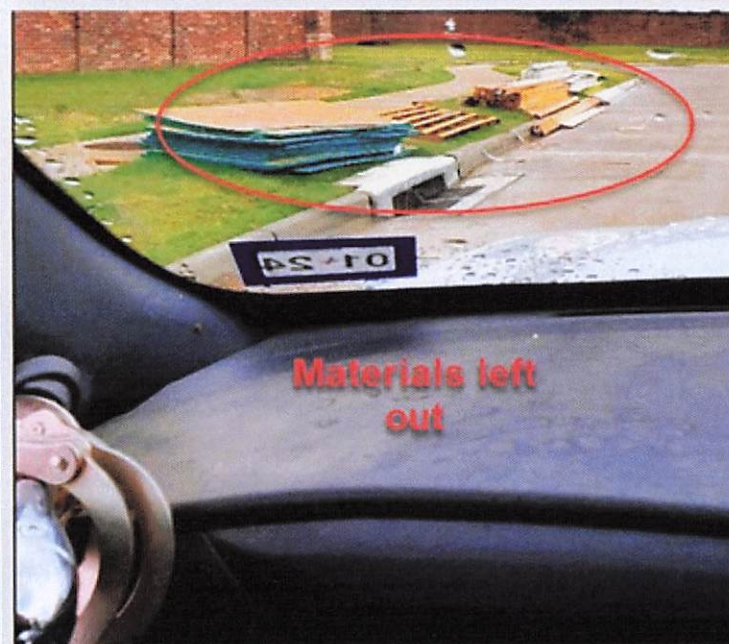
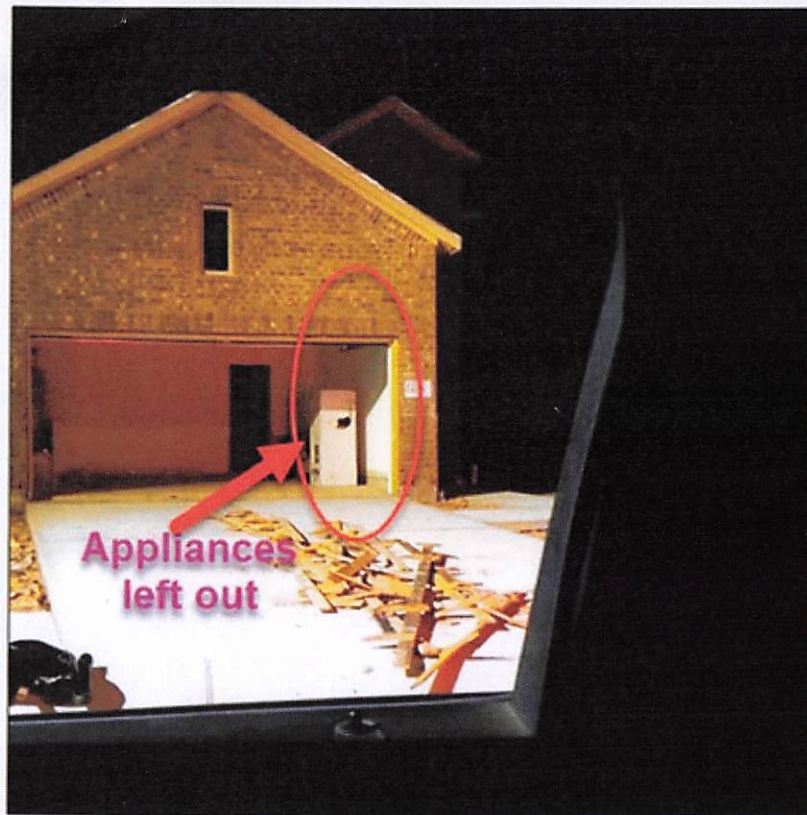
July 2024

A1 Products & Services



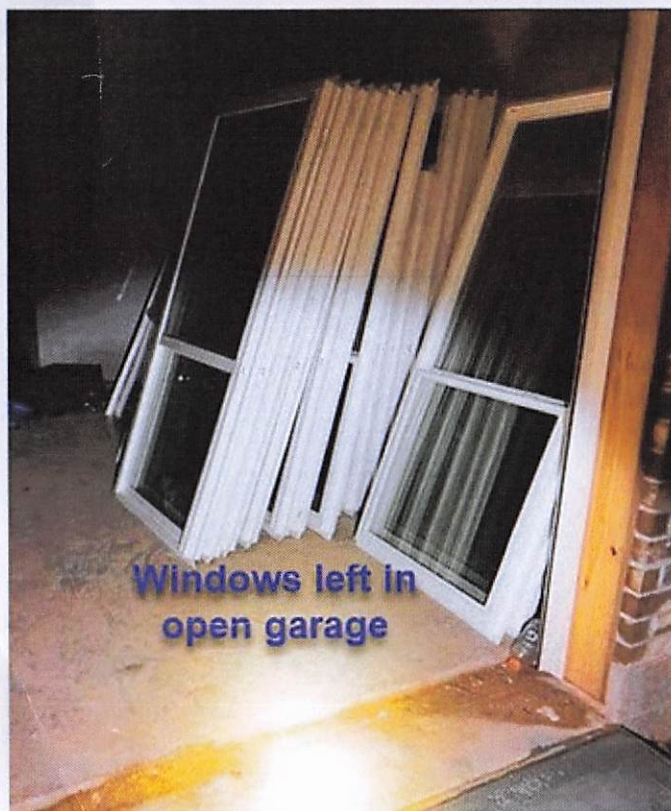
Suspicious Vehicle
In the middle of the night



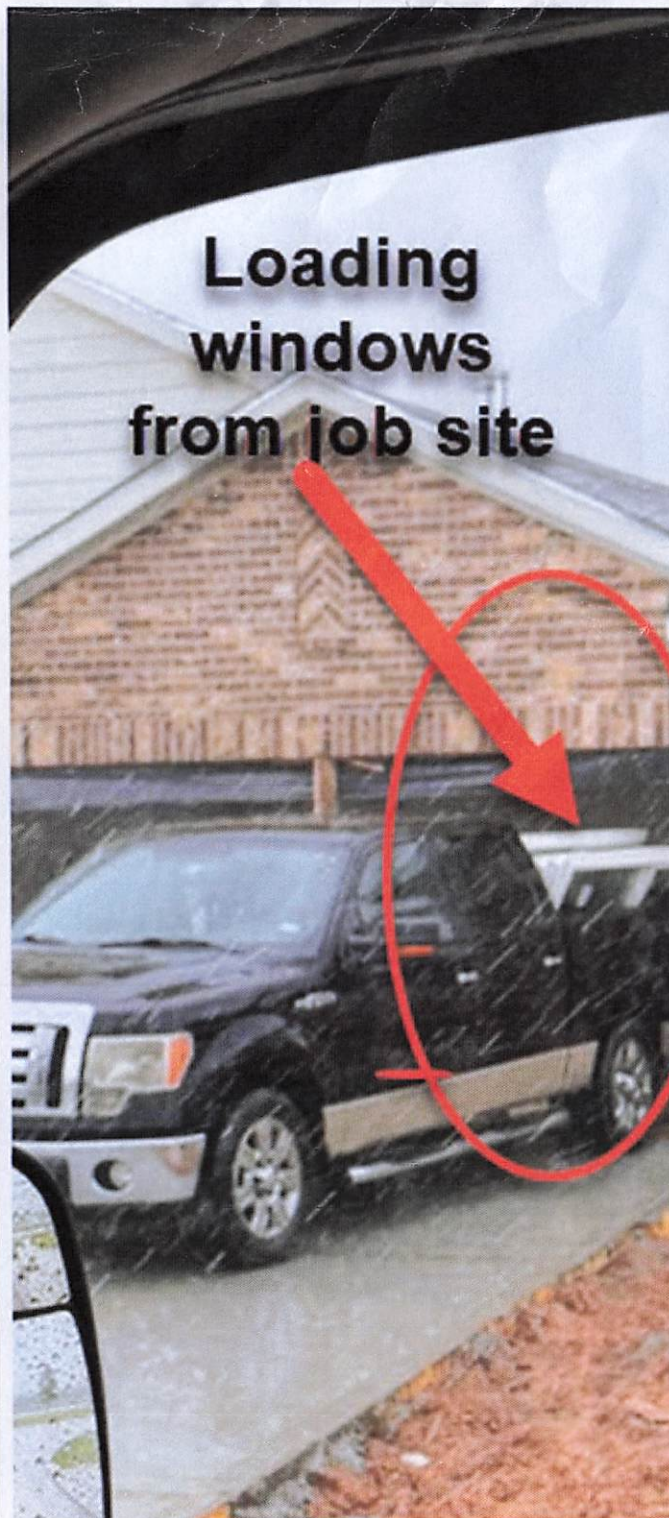




**Arrested for stealing
windows from job site**



**Windows left in
open garage**



**Loading
windows
from job site**



**Vehicle spotted
with windows in
back.**