MINUTES OF MEETING OF BOARD OF SUPERVISORS
AUGUST 2, 2022

THE STATE OF TEXAS §

COUNTY OF HARRIS §

MEMORIAL VILLAGES WATER AUTHORITY §

The Board of Supervisors (the "Board") of Memorial Villages Water Authority (the "Authority") met in regular session, open to the public, on August 2, 2022, at the Authority's office at 8955 Gaylord, Houston, Harris County, Texas at 7:00 p.m., whereupon the roll was called of the members of the Board, to wit:

Gary Schenk, President
Will Wilson, Vice President
Randolph Ewing, Secretary
Veronica Roa, Assistant Secretary
Cathy Stubbs, Treasurer
Unal Baysal, Assistant Secretary
Locke Braly, Assistant Secretary

Persons Attending. All members of the Board were present, except for Supervisor Baysal, thus constituting a quorum. Also attending were Mr. Trey Cantu, General Manager of the Authority; Mr. Norman Gutierrez of Langford Engineering, Inc. ("Langford"), Engineer for the Authority; Ms. Kathleen Ellison and Ms. Kaity Malek of Norton Rose Fulbright US LLP ("NRF"), Attorneys for the Authority; Mr. Tim Davis, Mr. Mike Manning, and Ms. Andrea Hermann, residents within the Authority; and Mr. John Davis of Langford Engineering, Inc. ("Langford"), Engineer for the Authority, who attended via teleconference.

Call to Order. The President called the meeting to order in accordance with notice posted pursuant to law, a Certificate of Posting of which is attached hereto as Exhibit "A," and the following business was transacted:

1. **Public Comments.** The President recognized the Authority's residents and asked for public comments.

Mr. T. Davis stated that a year ago, he made a presentation to the Board at the August 3, 2021 meeting discussing the concerns of Hedwig Way residents with the Gaylord Water Plant Project. Mr. T. Davis reported that he has previously requested that the Authority improve the appearance of the area by adding a permanent green border or façade around the plant and by planting trees to hide the view of the plant from the surrounding residences. He stated that due to the plant there has been a decline in the appearance of Hedwig Way. He said there used to be a green belt in the channel separating the plant from residences on Hedwig Way but it is no longer there. He said reckless handling of chemicals may have caused the death of trees. Mr. T. Davis said his requests have been ignored for many years and other Authority plants have better appearances.

Mr. T. Davis summarized his requests: (i) build a façade or extend the 16 foot fence; (ii) plant 60 magnolia trees and install a sprinkler system; and (iii) extend the chain link fence at the northeast corner and close gap at the bottom. Discussion ensued about the differences between the Creekside and Gaylord water plants, whether it is prudent to plant magnolia trees on the side of the ditch, and whether the Authority caused the damage to the green border.

Mr. Manning discussed his concerns about security and said he had been working with Mr. Cantu regarding fencing. The President said that the Board is committed to securing all of the plant.

2. **Approve minutes of the July 12, 2022 regular meeting.** Proposed minutes of the July 12, 2022 meeting, previously distributed to the Board, were submitted for consideration and approval. Upon motion by Supervisor Braly, seconded by Supervisor Ewing, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the July 12, 2022 regular meeting, as revised.

3. **Executive session pursuant to Section 551.071 for the purpose of a private consultation with the Board's attorney on matters in which the attorney's duty to the governmental body requires confidentiality under the Rules of Professional Conduct of the State Bar of Texas.** The President opened discussion to an executive session under Section 551.071 of the Open Meetings Act for a private consultation with its attorneys. Upon motion by Supervisor Braly, seconded by Supervisor Wilson, after full discussion and the question being put to the Board, the Board voted unanimously at 7:59 p.m. to enter into executive session pursuant to Section 551.071, Texas Gov't Code, for private consultation with its attorney on a matter in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas requires confidentiality. Mr. T. Davis, Mr. Manning, Ms. Hermann left the meeting at this time, leaving the following persons in attendance: the Supervisors, Mr. Cantu, Mr. Gutierrez, Ms. Ellison, Ms. Malek and Mr. J. Davis, the latter via teleconference.

4. **Return to Open Session.** Upon motion by Supervisor Stubbs, seconded by Supervisor Roa, after full discussion and the question being put to the Board, the Board voted unanimously to reconvene in public session at 8:18 p.m. Ms. Hermann rejoined the meeting at this time.

5. **Agreement in connection with Acceptance of Gaylord Water Plant Project and acceptance of project.** This item was deferred.

6. **Status report on Gaylord Water Plant project, consideration and approval of Pay Estimate #14, and take any necessary action.** No action was taken on the pay estimate at this time.

The Board discussed the issues that Mr. T. Davis brought up during public comments. The Supervisors noted that the tanks were painted hunter's green to blend in with the surrounding greenery and there is a 16 foot fence behind the plant. The Supervisors noted that each plant location is different and that it didn't tear down the green screen of plants that formerly existed in the ditch area. The Board discussed possible issues with planting magnolia trees along the side of the ditch. Ms. Hermann stated that she is on the Board of Parks and Beautification and suggested putting a mural on the fence to make it more pleasing. Additional discussion ensued.

The Board discussed the security issues along the fence line that were brought up during public comments. Mr. Cantu stated that he has received quotes for a fence extension. Discussion ensued. Upon motion by Supervisor Roa, seconded by Supervisor Ewing, after full discussion and the question being put to the Board, the Board voted to authorize Mr. Cantu to move forward with gathering fencing proposals and to bring the quotes to the September meeting.

The President asked if there was a motion regarding the planting of trees. There were none.

7. **Discuss and consider 2022 proposed tax rate.** Mr. Cantu presented to and reviewed with the Board a recommended tax rate for 2022 with supporting worksheets, attached hereto as Exhibit "B." Mr. Cantu stated that under the new tax law the highest tax rate the Authority can set without a mandatory election is $0.025468. The Board discussed its capital budget and general fund revenues.

8. **Adopt Order Designating Officer to Calculate and Publish Proposed 2022 Tax Rate.** Ms. Ellison then presented to the Board an Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2022, a copy of which is attached hereto as Exhibit "C." Upon motion by Supervisor Wilson, seconded by Supervisor Stubbs, after full discussion and the question being put to the Board, the Board voted to approve the Order, thereby authorizing the tax assessor to publish a proposed 2022 tax rate of $0.025468 and setting a proposed tax rate hearing on September 6, 2022.

9. **Set proposed Tax Rate Hearing Date.** This item was discussed and approved during the discussion of item number 8.

10. **Authorize publication of proposed 2022 tax rate and set open hearing date.** This item was discussed and approved during the discussion of item number 8.

11. **Resolution of the Board of Supervisors of the Memorial Villages Water Authority Regarding a Loan in an Amount Not to Exceed $3,000,000 (the "Resolution").** Ms. Ellison presented to and reviewed with the Board the Allegiance Bank Loan Agreement, a copy of which is hereto attached as Exhibit "D." She stated that the Board had previously discussed obtaining this loan but only drawing on it in an emergency. She said the loan is for three years in the maximum amount of $3,000,000. Discussion ensued. Upon motion by Supervisor Ewing, seconded by Supervisor Braly, after full discussion and the question being put to the Board, the Board voted to approve the Resolution, thereby approving the Allegiance Bank Loan Agreement.

12. **Adopt Order Calling Supervisors' Election.** Ms. Ellison reviewed with the Board the Order Calling Supervisors' Election, a copy of which is attached hereto as Exhibit "E." Upon

motion by Supervisor Braly, seconded by Supervisor Wilson, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Order.

13. Manager's Report including: monthly water samples, Wastewater Treatment Facility's monthly discharge compliance, Tax Recap, Investment Report on the Authority's investments, monthly Identity Theft Compliance Report, and any other matters concerning business of the Authority. Mr. Cantu presented to and reviewed with the Board the Manager's Report.

Mr. Cantu presented the Discharge Monitoring Report, a copy of which is attached hereto as Exhibit "F."

Mr. Cantu presented the Wastewater Treatment Facility Monthly Operating Report, a copy of which is attached hereto as Exhibit "G." He stated that there were no violations this month and that all monthly water samples are in compliance.

Mr. Cantu reported that there were no identity theft issues within the month.

Mr. Cantu presented the Monthly Tax Office Report, a copy of which is attached hereto as Exhibit "H."

Mr. Cantu presented the Funds Balance – Investment Report, a copy of which is attached hereto as Exhibit "I."

Mr. Cantu stated that a record amount of water is being used. He described the drought contingency plan, noting that Stage 1 is voluntary conservation and Stage 2 involves watering restrictions. Discussion ensued.

14. Authorize payment of bills. Discussion ensued regarding the new system for accounts payable. Upon motion by Supervisor Roa, seconded by Supervisor Stubbs, after full discussion and the question being put to the Board, the Board voted unanimously to approve payment of the bills, a list of which is attached hereto as Exhibit "J."

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

* * *

The above and foregoing minutes were passed and approved by the Board of Supervisors on September 6, 2022.

President, Board of Supervisors

ATTEST:

Secretary, Board of Supervisors

(AUTHORITY SEAL)

NORTON ROSE FULBRIGHT

CERTIFICATE OF POSTING

THE STATE OF TEXAS §
COUNTY OF HARRIS §
MEMORIAL VILLAGES WATER AUTHORITY §

I hereby certify that on July 29, 2022 I posted the Notice of Meeting of the Board of Supervisors of Memorial Villages Water Authority, a true copy of which is attached hereto, on the Authority's website and at a place convenient to the public at 8955 Gaylord, Houston, Texas 77024, the administrative office of the Authority within its boundaries, as required by law.

EXECUTED this 29 day of July, 2022.

MEMORIAL VILLAGES WATER AUTHORITY
8955 GAYLORD
HOUSTON, TEXAS 77024

In accordance with Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Supervisors of Memorial Villages Water Authority will meet in regular session, open to the public, at the Water Authority's Building, 8955 Gaylord, Houston, Texas 77024, a location within the Authority, at 7:00 p.m. on **Tuesday, August 2, 2022**. At such meeting, the Board will consider the following:

1. Public Comments;
2. Approve minutes of the July 12, 2022 regular meeting;
3. Executive session pursuant to Section 551.071 for the purpose of a private consultation with the Board's attorney on matters in which the attorney's duty to the governmental body requires confidentiality under the Rules of Professional Conduct of the State Bar of Texas;
4. Return to open session;
5. Agreement in connection with Acceptance of Gaylord Water Plant Project and acceptance of project;
6. Status report on Gaylord Water Plant project, consideration and approval of Pay Estimate #14, and take any necessary action;
7. Discuss and consider 2022 proposed tax rate;
8. Adopt Order Designating Officer to Calculate and Publish Proposed 2022 Tax Rate;
9. Set proposed Tax Rate Hearing Date;
10. Authorize publication of proposed 2022 tax rate and set open hearing date;
11. Resolution of the Board of Supervisors of the Memorial Villages Water Authority Regarding a Loan in the Amount of Not to Exceed $3,000,000;
12. Adopt Order Calling Supervisor's Election;
13. Manager's Report including; monthly water samples, Wastewater Treatment Facility's monthly discharge compliance, Tax Recap, Investment Report on the Authority's investments, monthly Identity Theft Compliance Report, and any other matters concerning business of the Authority; and
14. Authorize payment of bills.

Norton Rose Fulbright US LLP, attorneys for Authority

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive session of the Board should be held or is required in relation to any agenda item included in this Notice, then such closed or executive meeting or session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by Sections 551.071-551.084 of the Texas Government Code and the Texas Open Meetings Act, including, but not limited to, Section 551.071 - for the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the Authority's office at (713) 465-8318 at least three business days prior to the meeting so that appropriate arrangements can be made.

CERTIFICATE OF ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATE

THE STATE OF TEXAS
COUNTY OF HARRIS
MEMORIAL VILLAGES WATER AUTHORITY

We, the undersigned officers of the Board of Directors (the "Board") of Memorial Villages Water Authority (the "Authority"), hereby certify as follows:

1. The Authority convened in regular session, open to the public, on August 2, 2022, at the Authority's office at 8955 Gaylord, Houston, Harris County, Texas at 7:00 pm, and the roll was called of the members of the Board, to-wit:

Gary Schenk, President
Will Wilson, Vice President
Randolph Ewing, Secretary
Cathy Stubbs, Treasurer
Veronica Roa, Assistant Secretary
Unal Baysal, Assistant Secretary
Locke Braly, Assistant Secretary

All members of the Board were present, except the following: ________________, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting: A written

ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2022

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

AYES: NOES:

2. A true, full, and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen qualified, and action officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such Meeting and each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and

purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED this ____________________.

____
President, Board of Directors

____
Secretary, Board of Directors

ORDER DESIGNATING OFFICER TO CALCULATE AND PUBLISH TAX RATES AND TAKING OTHER ACTIONS IN CONNECTION WITH THE LEVY OF A TAX FOR 2022

THE STATE OF TEXAS §
COUNTY OF HARRIS §
MEMORIAL VILLAGES WATER AUTHORITY §

WHEREAS, the chief appraiser of the HCAD has prepared and certified the Memorial Villages Water Authority (the "Authority") tax roll for 2022 to the Tax Assessor and Collector for the District;

WHEREAS, an officer or employee designated by the Board of Directors (the "Board") of the Authority is required to calculate and publish certain information in accordance with Section 49.236 of the Texas Water Code and the directions of the Comptroller of Public Accounts of the State of Texas (the "Comptroller");

WHEREAS, the Board must preliminarily decide the 2022 tax rate it proposes to adopt to enable it to publish notice and hold a hearing prior to adopting such tax rate;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF MEMORIAL VILLAGES WATER AUTHORITY:

The Board hereby designates Christine A. Porter, the Tax Assessor and Collector for the Authority, as its representative to calculate and publish in the form prescribed by the Comptroller all information required by Section 49.236 of the Texas Water Code and the directions of the Comptroller.

At a subsequent meeting, the Board shall consider a proposal to levy an ad valorem tax for the year 2022 at the rate of $________ per $100 assessed valuation ($0.00 per $100 assessed valuation to pay principal and interest to service the District's debts in the next year and $_________ per $100 assessed valuation to fund maintenance and operating expenditures).

The Board hereby calls a public hearing on the proposed tax rate at 7:00 p.m. on September 6, 2022, at the Authority's office located at 8955 Gaylord, Houston, Texas, a location open to the public, and authorizes and instructs the Tax Assessor and Collector for the District to publish notice of such hearing in accordance with section 49.236 of the Texas Water Code.

The President or the Vice President and Secretary or Assistant Secretary are authorized on behalf of the Board to evidence adoption of this Order and to do any and all things appropriate or necessary to give effect to the intent hereof.

* * *

FEDERAL TAX CERTIFICATE

I, the undersigned officer of the Memorial Villages Water Authority, a political subdivision of the State of Texas (together with any successor to its duties and functions, the "Issuer") make this certification for the benefit of all persons interested in the exclusion from gross income and certain other treatment for federal income tax purposes of the interest to be paid on the Issuer's Promissory Note, (the "Obligations") in the aggregate principal amount of $3,000,000, which are being issued and delivered simultaneously with the delivery of this certificate (the "Certificate"). I do hereby certify as follows:

1. **General** I am the duly chosen, qualified and acting officer of the Issuer for the office shown below my signature. In such capacity, I am charged, along with others, with responsibility for issuing the Obligations. I am familiar with the facts, estimates and expectations certified herein, and I am duly authorized to execute and deliver this Certificate. I am familiar with the provisions of the resolution of the Issuer's Board of Supervisors adopted on _______________, authorizing the issuance of the Obligations (collectively the "Official Action"), the Loan Agreement, dated _____________ between Allegiance Bank (the "Lender") and the Issuer (the "Loan Agreement"), and particularly the provisions thereof relating to the treatment of the Obligations and the interest thereon for federal income tax purposes. I am aware of the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 141 through 150 thereof, and the Treasury Regulations (the "Regulations") promulgated under the Code. This Certificate is being executed and delivered pursuant to the relevant provisions of the Code and Sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(d), 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations. Certain terms used herein have the same meanings as given to those terms in the Code and the Regulations. Capitalized terms used in this Certificate (unless otherwise indicated herein) shall have the meanings ascribed to them in the Loan Agreement.

2. **Reasonable Expectations** As an officer of the Issuer responsible for issuing the Obligations, the undersigned hereby certifies, in good faith, that the Issuer's expectations, as of the Issue Date (as defined herein), regarding the amount and use of the gross proceeds of the Obligations and other matters relevant to the treatment of interest on the Obligations for federal income tax purposes are accurately and completely stated herein, that all of such expectations are reasonable and are based on the facts and estimates stated in this Certificate, that all of the facts and estimates stated in this Certificate are accurate. The undersigned has relied on certain representations made by Allegiance Bank, the Initial Purchaser of to the Obligations (the "Initial Purchaser") in the Certificate of Initial Purchaser, attached hereto as Exhibit A. The undersigned is aware of no other facts, estimates or circumstances which would indicate that any of the expectations stated herein are not reasonable.

3. **Description of Governmental Purposes** The Issuer is issuing the Obligations pursuant to the Official Action to provide funds, which will be used to construct improvements to the Issuer's water and wastewater systems (the "Project").

4. **Proceeds of the Obligations** The sales proceeds from the sale of the Obligations received by the Issuer is $3,000,000.00, which represents the aggregate principal amount of the Obligations.

5. Use of Proceeds of the Obligations The sales proceeds from the sale of the Obligations received by the Issuer will be expended and applied by the Issuer as follows:

(a) Proceeds of the Obligations in the amount of $3,000,000.00 will be used by the Issuer to finance the Project.

(b) Proceeds of the Obligations in the amount of $0.00 will be used by the Issuer to pay costs of issuance of the Obligations.

6. Pre-Issuance Accrued Interest Interest on the Obligations begins to accrue on the Issue Date; therefore, the Obligations are being issued without pre-issuance accrued interest.

7. Investment Proceeds Investment Proceeds earned on Proceeds held in the funds and accounts established in connection with the Note shall be retained in each such fund or account. Investment Proceeds of the Note may be used to pay costs of the Project.

8. Replacement Proceeds There are no amounts on hand, and there are no amounts expected to be received, other than amounts identified herein as proceeds of the Obligations and amounts to be held in the Debt Service Fund for the payment of debt service on the Obligations (as discussed in paragraph 12) which have or will have at any time a sufficiently direct nexus to the Obligations or to any governmental purpose of the Obligations to conclude that such amounts would have been used for that governmental purpose if the proceeds of the Obligations were not used or to be used for that governmental purpose. More specifically --

(a) Sinking Funds and Pledged Funds Other than the Debt Service Fund and the amounts and investments on deposit therein from time to time, there are not now and will not be at any time while the Obligations are outstanding --

(i) any debt service fund, reserve fund, replacement fund, any similar fund, or any amount or investment reasonably expected to be used, directly or indirectly (such as, by the generation of income to be used), to pay principal or interest on the Obligations; and

(ii) any fund, amount, or investment that is directly or indirectly pledged to pay principal or interest on the Obligations. A pledge includes, but is not limited to, any arrangement, regardless of its form, which provides reasonable assurance that the amount will be available to pay principal or interest, even if the Issuer encounters financial difficulty. A pledge to a guarantor or an agreement to maintain an amount at a particular level or balance for the direct or indirect benefit of bondholder or a guarantor would constitute a pledge for this purpose.

(b) No Other Replacement Proceeds There will be no other replacement proceeds allocable to the Obligations. Based on the reasonable expectations of the Issuer as of the date hereof, the term of the Obligations is not longer than, and the Issuer will not allow the Obligations to remain outstanding longer than, is reasonably necessary for the governmental purposes for which the Obligations are being issued. The weighted average maturity of the Obligations does not exceed 120 percent of the reasonably expected economic life of the capital projects being financed by the Obligations, determined in the same manner as provided under Section 147(b) of the Code. In addition, none of the proceeds of the Obligations will be used to finance working capital expenditures.

9. No Overissuance Based on the expectations set forth in the preceding paragraphs, the amount of the proceeds from the issuance of the Obligations, plus all investment proceeds to be received with respect to the Obligations, does not exceed by any amount, the amount required for the governmental purposes for which the Obligations are being issued, as described in paragraph 3 above.

10. Temporary Period Requirements for the Obligations.

(a) Pre-Issuance Accrued Interest Interest on the Obligations begins to accrue on Issue Date; therefore, the Obligations are being issued without pre-issuance accrued interest.

(b) Expenditure Test Eighty-Five percent of the proceeds will be used to carry out the Project within three years after the Issue Date.

(c) Prosecution of the Project.

The Issuer expects the work on the Project and the expenditure of sale proceeds to proceed with due diligence from the Issue Date until the completion of the Project.

The term "net sale proceeds" shall mean any amount actually or constructively received from the sale of the Obligations, including amounts constituting the underwriter's discount or compensation and accrued interest, other than pre-issuance accrued interest, less amounts invested as part of a reasonably required reserve or replacement fund or as part of a minor portion for the Obligations.

11. Flow of Funds Under the Loan Agreement, the Issuer is obligated to et water and wastewater rates and collect revenues therefrom to pay debt service on the Obligations. All revenues by the Issuer for and on account of the Obligations will be deposited into the Debt Service Fund (as defined below).

12. Debt Service Fund The Issuer created pursuant to the Loan Agreement the Debt Service Fund to be used primarily to achieve a proper matching of taxes and debt service on the Obligations within each bond year. The Issuer expects that the taxes collected each year, and amounts received from investment of moneys held in the Debt Service Fund, will be sufficient to pay debt service each year on the Obligations. The portion of the Debt Service Fund which will be depleted by the payment of debt service on the Obligations at least once each bond year, except for a reasonable carryover amount not to exceed the greater of (a) one year's earnings on the Debt Service Fund for the immediately preceding bond year or (b) one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year, will constitute a bona fide Debt Service Fund and will be treated as a separate fund (the "Bona Fide Portion") for purposes of this Certificate. Amounts, other than proceeds of the Obligations, remaining in the Debt Service Fund, after the annual payment of all principal of and interest and premium, if any, on the Obligations, other than the reasonable carryover amount described in the preceding sentence will be treated for purposes of this Certificate as a separate fund (the "Reserve Portion"). The Issuer reasonably expects that the sum of any amounts in the Debt Service Fund which (i) are allocable to such Reserve Portion or (ii) are allocable to the Bona

Fide Portion, but are not spent for the payment of debt service on the Obligations within 13 months after the date of receipt of such amount, will not exceed the least of (x) 10 percent of the Issue Price (as defined in paragraph 13), (y) the maximum annual principal and interest requirements on the Obligations, or (z) 125 percent of the average annual principal and interest requirement on the Obligations, at any time so long as the Obligations are outstanding. To the extent any such accumulations exceed such amount, the excess amount will be invested at a yield not in excess of the yield on the Obligations, except as set forth in paragraph 17 below.

13. **Issue Price** The term "Issue Price" with respect to the entire issue of Obligations is set forth in the Certificate of Initial Purchaser attached as Exhibit A and incorporated herein by reference without taking into account any costs of issuance or pre-issuance accrued interest.

14. **Yield on the Obligations** For purposes of this Certificate, the term "yield" shall have the meaning ascribed to it in Section 148(h) of the Code and the Regulations in effect thereunder and, when used with respect to the Obligations, shall mean that interest rate which when used as a discount factor to compute the present value as of the Issue Date of all scheduled payments of principal of and interest on the Obligations produces an amount equal to (i) the Issue Price of the Obligations, plus (ii) pre-issuance accrued interest on the Obligations as of the Issue Date. Yield on the Obligations shall not take into account or reflect any underwriter's discount or cost of issuance of the Obligations. For purposes hereof, yield is and shall be calculated on the basis of a 360-day year with interest compounded semi-annually.

15. **Other Issues** There are no obligations issued by the Issuer or any related party of the Issuer which (a) are sold at the same time as the Obligations (within 15 days), (b) are reasonably expected to be paid from the same source of funds as the Obligations and (c) have been or will be sold pursuant to the same plan of financing as the Obligations.

16. **No Other Sinking Funds** Other than the Debt Service Fund, there are no other funds or accounts comprised of investment property established by and on behalf of the Issuer (a) which are expected to be used, or expected to generate earnings to be used, to pay debt service on the Obligations, or which are reserved or pledged as collateral for payment of debt service on the Obligations and (b) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Obligations if the Issuer encounters financial difficulties. Use of amounts in the Interest and Sinking Fund is described above. There is no other fund established, or to be created or established, which would be treated as a sinking fund with respect to the Obligations.

17. **Minor Portion** The Issuer expects that the gross proceeds of the Obligations, including all proceeds received with respect to the Obligations and all investment proceeds received on such amounts, and all other amounts pledged or anticipated to be used to pay principal of and interest on the Obligations, other than amounts representing a portion of the Bona Fide Portion of the Debt Service Fund, will be expended in accordance with paragraphs 5 and 10 above. To the extent that such amounts remain unexpended or are otherwise on hand following the periods set forth in paragraph 10 above exceeds the amount specified in this paragraph, the Issuer will invest such amounts, other than a minor portion in an amount not exceeding the lesser of 5 percent of the sale proceeds of the Obligations or $100,000 in the aggregate, at a yield not materially higher than the yield on the Obligations.

18. **Compliance with Rebate Requirements.**

Pursuant to the terms of the Loan Agreement, the Issuer has covenanted to comply with the requirements code including determining what is required with respect to the rebate provisions contained in Section 148(f) of the Code and the Treasury regulations from tie to time.

19. Not a Reimbursement None of the proceeds of the Obligations will be allocated to, or otherwise used, to reimburse any expenditure paid, either actually or constructively, by the Issuer prior to the Issue Date.

20. Not a Hedge Bond Not more than 50 percent of the proceeds of the Obligations will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Issuer reasonably expects that at least 85 percent of the spendable proceeds of the Obligations will be used to carry out the governmental purposes of the Obligations within the three-year period beginning on the date the Obligations were issued.

21. No Change In Use The Issuer does not expect to dispose of any portion of the Project while any of the Obligations are outstanding.

22. No Abusive Arbitrage Device The Obligations are not and will not be a part of an issue in which an abusive arbitrage device (as defined in Section 1.148-10(a) of the Regulations) is used. Without limiting the foregoing, the Obligations are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (ii) increasing the burden on the market for tax-exempt obligations. In this regard, the Issuer issued the Obligations for the primary purpose of accomplishing the bona fide governmental purposes set forth in paragraph 3 of this Certificate. Based on all the facts and circumstances, the Issuer has not issued the Obligations in an amount higher than is reasonably necessary to accomplish the governmental purposes of the Obligations, the Issuer has not issued the Obligations earlier than is reasonably necessary to accomplish the governmental purposes of the Obligations and the Issuer is not allowing the Obligations to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Obligations. The Issuer would have issued the Obligations regardless of any arbitrage benefit, which it may realize in connection with the Obligations. In fact, the Issuer reasonably expects that even if the Obligations were not tax-exempt obligations and if market rates of interest on taxable and tax-exempt obligations were equal to each other and to the rates at which the Obligations are in fact now being issued, the Issuer would have issued the Obligations, notwithstanding the loss of any opportunity to borrow at lower tax-exempt rates and invest at higher taxable rates.

(a) No Impermissible Sinking Fund No portion of the Obligations has a maturity determined primarily for the purpose of creating a sinking fund with respect to the Obligations the yield on which will be blended with the yield on the investment of other proceeds of the Obligations to reduce the negative arbitrage related to such investment.

(b) No Working Capital Except for an amount that does not exceed 5 percent of the Sale Proceeds of the Obligations (and that is directly related to capital expenditures financed by the Obligations), the Issuer will only expend proceeds of the Obligations for (i) costs that would be chargeable to the capital accounts of the Project if the Issuer's income were subject to federal income taxation and (ii) interest on the Obligations in an amount that does not cause the aggregate amount of interest paid on all of the Obligations to exceed that amount of interest on the Obligations that is attributable to the period that commences on the date hereof and ends on the later of (A) the date that is three years from the issue date of the Obligations or (B) the date that is one year after the date on which the Project is placed in service.

(c) No Sale of a Conduit Loan No portion of the gross proceeds of the Obligations has been or will be used to acquire, finance or refinance a conduit loan.

23. Allocations and Accounting The proceeds of the Obligations will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the Project is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the date hereof or the retirement of the last Obligations, if earlier. The allocation of proceeds will be made by employing the direct-tracing method of accounting, unless the Issuer elects otherwise.

24. No Arbitrage On the basis of the foregoing facts, estimates and circumstances, it is expected that the proceeds of the Obligations will not be used in a manner that would cause any of the Obligations to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

25. No Private Use, Payments or Loan Financing.

(a) No "Private Activity Bonds None of the Obligations are "private activity bonds" as that term is defined in section 141(a) of the Code. The Project will be owned and maintained by the Issuer. Except for de minimis use, there will be no private use of the Project, and no person has any obligation to make payment of, or secure the payment of, any of the Obligation other than the Issuer. Other than members of the general public, the Issuer expects that throughout the greater of the term of the Obligation, or the useful life of the Project, the only user of the Project will be the Issuer. The Issuer is and will be the manager of the Project.

(b) Dispositions of Personal Property in the Ordinary Course Dispositions of personal property financed with any portion of the proceeds of the Obligations will occur in the ordinary course of an established governmental program and will satisfy the following requirements:

(i) The weighted average maturity of the portion of the Obligations financing personal property is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will not be greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The Issuer is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues and the Issuer reasonably expects to spend such amounts on governmental programs within 6 months from the date of commingling.

26. Weighted Average Maturity The weighted average maturity of the Obligations is __________ years which is the sum of the products of the Issue Price of each group of identical Obligations and the number of years to maturity (determined separately for each group of identical Obligations and taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Obligations.

27. Bank Qualified Obligation

The Issuer hereby designates the Obligations as a bank qualified tax exempt obligation under Section 265 of the Code. The anticipated amount of tax exempt obligations to be issued during calendar year 2022 by the Issuer and its subordinate entities shall not exceed $10,000,000.

[SIGNATURE PAGE FOLLOWS]

WITNESS MY HAND, as of this _____ day of _______________, 2022.

MEMORIAL VILLAGES WATER AUTHORITY

By:____
President
Board of Supervisors

EXHIBIT A — Certificate of Initial Purchaser

GENERAL CERTIFICATE

STATE OF TEXAS
COUNTY OF HARRIS
MEMORIAL VILLAGES WATER AUTHORITY

We, the undersigned, President and Secretary of the Board of Supervisors of the Memorial Villages Water Authority (the "Authority"), do hereby execute and deliver this certificate for the benefit of all other persons interested in the $3,000,000, Memorial Villages Water Authority 2022 Revenue NOte (the "Note"), now in the process of issuance. We certify as follows:

1. The Authority is a conservation and reclamation district, created pursuant to Acts of the 57th Texas Legislature under Senate Bill 1162, now codified as Chapter 6912 of the *Texas Special Authority Local Laws Code*. The Authority has those powers set out in both Chapter 49 of the *Texas Water Code*, which applies to all Authority created by authority of Article XVI Section 59 of the Texas Constitution (see Section 49.001 of the *Texas Water Code*) and Chapter 53 of the *Texas Water Code*.

2. Under Section 49.153 of the *Texas Water Code* the Authority may issue a three year revenue note.

3. The following persons are the duly selected, or appointed, qualified and acting members of the Board of Supervisors of the Authority:

Gary Schenk	President
William Wilson	Vice President
Randolph Ewing	Secretary
Veronica Roa	Supervisor
Cathy Stubbs	Supervisor
Unal Baysal	Supervisor
Locke Braly	Supervisor

4. The Note is being issued for the purpose of constructing improvements to the Authoritys water and wastewater systems and paying certain professional design fees incurred in connection with the capital improvement projects (together, the "Project").

5. The Authority is not in default under the Resolution authorizing issuance of the Note, or in regard to any other indebtedness or obligations of the Authority.

6. The Authority will fix rates and charges for services from the Authority's Water and Wastewater Systems so long as the Note is outstanding in an amount sufficient to pay for all operating and maintenance expenses of the System, plus all principal and interest payments due on the Note, and all other indebtedness of the Authority, as the same become due.

7. There is no litigation currently pending or threatened affecting the validity of the outstanding indebtedness of the Authority.

8. No litigation of any nature has ever been (i) filed pertaining to, affecting, questioning, or contesting; nor (ii) to the best of our knowledge threatened regarding: (a) the Resolution which authorized the Note referred to in the preamble to this Certificate; (b) the issuance, execution, delivery, payment, security or validity of said proposed Note; (c) the authority of the Board of the Authority and the officers of said Authority to issue, execute, and deliver said Note; (d) the validity of the legal existence of said Authority; (e) the current water rates of said Authority; (f) the current boundaries of said Authority; and/or (g) imposition of water rates by the Authority.

9. The "Net Revenues" of the Authority's water and wastewater systems are unencumbered.

10. The Authority has authority to render service in all the areas currently served by it, and which will be served by the Authority after completion of the project financed by the Note.

WITNESS OUR SIGNATURES ON BEHALF OF THE MEMORIAL VILLAGES WATER AUTHORITY, this _______ day of _________________, 20__.

____
President
Memorial Villages Water Authority, Texas

____
Secretary
Memorial Villages Water Authority, Texas

LOAN AGREEMENT

between

ALLEGIANCE BANK

and

MEMORIAL VILLAGES WATER AUTHORITY

$3,000,000.00 REVENUE NOTE

Dated as of ________________, 2022

LOAN AGREEMENT

This **LOAN AGREEMENT** (as amended, restated, supplemented and/or otherwise modified, this "*Agreement*"), dated as of ___________, 2022, is between **ALLEGIANCE BANK** (the "*Lender*"), and **MEMORIAL VILLAGES WATER AUTHORITY** (the "*Authorityt*"), a Texas conservation and reclamation district duly established and created pursuant to Chapter 6912 of the Special Authority Local Laws Code and Section 59, Article XVI, Texas Constitution.

W I T N E S S E T H:

WHEREAS, the Board of Supervisors of the Authority desires to finance: (1) improvements to its water and wastewater systems; and (2) the cost of professional design services related to the capital improvements (each such purpose collectively being the "Project");

WHEREAS, the Authority has asked the Lender to make a loan to the Authority for the purpose of financing the Project to be secured by and payable from the net revenues of the Authority;

WHEREAS, the Lender is willing to make such loan to the Authority, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and the mutual benefits, covenants and agreements herein expressed, the Lender and the Authority agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. The capitalized terms used in this Agreement shall have the following respective meanings unless the context otherwise requires:

Act – means Chapters 49 and 53 of the Texas Water Code, as amended.

Agreement - has the meaning ascribed to such term in the first paragraph hereof.

Authority - has the meaning ascribed to such term in the first paragraph hereof.

Business Day - Any day, other than a Saturday, Sunday, or legal holiday, on which the offices of the Lender are not required or authorized by law or executive order to be closed.

Closing Date - The date that the Note is delivered to the Lender.

Costs of Issuance - The costs and expenses incurred by the Authority with respect to the authorization, execution and delivery of the Loan Documents and all documentation related thereto.

Debt Service Fund - shall have the meaning ascribed to such term in Section 4.4 hereof.

Debt Service Requirement - The amount necessary to pay the principal of and interest due and owing on the Note during each respective fiscal year of the Authority.

Event of Default - Unless waived in writing by the Lender, the occurrence of any of the following:

(a) the failure of the Authority to make any of the Note Payments when due;

(b) the failure of the Authority to comply with any other covenant, condition, or agreement under this Agreement, and the continuation of such failure for a period of thirty (30) days after the date that the Authority acquired actual knowledge or written notice of such failure, which knowledge may take the form of notice specifying such failure given to the Authority by the Lender;

(c) bankruptcy, insolvency, appointment of a receiver for, or the failure to discharge a judgment against, the Authority;

(d) the violation of any representation or warranty made by the Authority under Section 5.2 hereof; or

(e) the failure of the Authority to perform any of its obligations under or comply with any provisions of this Agreement not described in (a) or (b) above or any other agreement with the Lender to which it may be a party or by which it is bound.

Interest Payment Date - The date interest payments are due on the Loan, as set forth in the Note.

Lender – Allegiance Bank, together with its successors and assigns.

Loan - The loan from the Lender to the Authority made pursuant to this Agreement.

Loan Documents - Collectively, this Agreement, the Note, and the Resolution.

Maximum Interest Rate - The maximum rate of interest allowed under Chapter 1204, Government Code, as amended, but not to exceed the "*applicable interest rate ceiling*" as determined under Chapter 303 of the Texas Finance Code from time to time in effect.

Net Revenues - Revenues minus Operation and Maintenance Expenses

Note - The revenue note of even date herewith (such revenue note, as the same may be renewed, extended, amended or otherwise modified from time to time) delivered pursuant to this Agreement in substantially the form attached hereto as Exhibit A, and any revenue note executed and delivered by the Authority in replacement thereof or in substitution therefor.

Note Payments - The payments required by Section 2.3 to be made by the Authority in payment of the principal of and interest on the Note.

Operation and Maintenance Expenses - All actual cash operation and maintenance expenses incurred or charges made by the District in any particular fiscal year, but only if such charges are made in conformity with generally accepted accounting principles, including without duplication, amounts reasonably required under generally accepted accounting principles to be set aside in reserves for items of operation and maintenance expenses the payment of which is not then immediately required. Operation and maintenance expenses do not include any items for any capital project, depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, principal amortization or interest expense, costs or charges made for capital additions, replacements, betterments, extensions or improvements to or retirements from equipment which under generally accepted accounting principles are not properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties which are capitalized pursuant to the then existing accounting practice of the District.

Principal Amount - $3,000,000.00.

Project - has the meaning ascribed to such term in the recitals hereof

Resolution - The resolution of the Board of Directors of the Authority authorizing the execution and delivery of this Agreement and the Note and the pledge of the Net Revenues to the payment of the principal of and interest on the Note, and any amendments or supplements thereto.

Revenues: mean the following: (1) all gross revenues of the Authority; and (2) any additional revenues, incomes, receipts, or other amounts derived from the operation of the Authority, including, without limitation, revenue from and any grant, donation, or income received or to be received from the United States government or any other public or private source, whether pursuant to an agreement or otherwise; provided, however, that Revenues do not include any revenues derived from ad valorem taxes.

State - The State of Texas.

Section 1.2 **Interpretative Matters**Whenever the context requires:

(i) references in this Agreement of the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine, and neuter.

(b) The table of contents and the titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

ARTICLE II

THE LOAN; REPAYMENT OF THE LOAN

Section 2.1 **Financing the Loan**Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 2.2, and for and in consideration of the payment by the Authority of its obligations under this Agreement and the Note and the covenants and agreements herein contained, the Lender will, on the Closing Date, advance to and for the sole use and benefit of the Authority periodic draws in an amount not to exceed the Principal Amount for the exclusive purpose of providing funds to the Authority to finance the Project and pay the costs related thereto including, without limitation, the Costs of Issuance.

Section 2.2 **Conditions to Closing**The obligation of the Lender to make the advance pursuant to Section 2.1 hereof shall be subject to the following conditions:

(a) The representations of the Authority herein shall be true, complete and correct in all material respects on the date hereof and on and as of the Closing Date as if made on the Closing Date;

(b) On the Closing Date, the Loan Documents shall be in full force and effect, assuming due authorization and execution by the other parties thereto, and shall not have been amended or supplemented except as may have been agreed to in writing by the Lender;

(c) At or prior to the Closing Date, the Lender shall have received each of the following documents:

(i) This Agreement executed by an authorized officer of the Authority;

(ii) The Note executed by an authorized officer of the Authority;

(iii) A certificate, dated the Closing Date, executed by an authorized officer of the Authority, to the effect that (A) the representations and warranties of the Authority contained in this Agreement are true and correct on the date hereof and on and as of the Closing Date as if made on the Closing Date; (B) the Resolution and this Agreement are in full force and effect and have not been amended or supplemented except as may have been approved in writing by the Lender; (C) the Authority is not in default with respect to any of its outstanding obligations; and (D) no litigation is pending or, to the best of their knowledge, threatened in any court to restrain or enjoin the execution and delivery of this Agreement or the Note, or the collection of the Revenues or the pledge of the Net Revenues, or contesting or affecting the adoption and validity of the Resolution or the authorization, execution and delivery of the Loan Documents, or contesting the powers of the Board of Directors of the Authority;

(iv) Certified copies of resolutions of the Authority and the Authority authorizing execution, delivery and performance of all of the Loan Documents and authorizing the borrowing hereunder, along with such certificates of existence, certificates of good standing and other certificates or documents as the Lender may reasonably require to evidence the Authority's authority;

(v) An opinion of counsel which shall specifically provide that (1) the Authority is a validly existing water supply Authority created and operating under the Constitution and laws of the State of Texas and (2) the Authority is duly authorized and empowered to execute, deliver and perform the Loan Documents.

Section 2.3 **Repayment Terms**The Authority agrees to execute and deliver the Note to the Lender upon the advance of the Principal Amount by the Lender to the Authority pursuant to Section 2.1.

(b) The Note shall be dated the Closing Date, shall be in an aggregate principal amount equal to the Principal Amount and shall be payable on the dates and in the amounts specified in the Note.

(c) Interest shall accrue and be paid on the outstanding Principal Amount as specified in the Note.

Section 2.4 **Note Payments**All Note Payments shall be made on the applicable payment date in immediately available funds and shall be paid to the Lender at the address provided to the Authority pursuant to Section 8.2.

Section 2.5 **Note Payments Due on Business Days**If the regularly scheduled due date for a Note Payment is not a Business Day, the due date for such payment shall be the next succeeding Business Day, and payment made on such succeeding Business Day shall have the same force and effect as if made on the regularly scheduled due date.

Section 2.6 **Prepayment of Note**The Authority may at its option prepay the principal amount of the Note outstanding hereunder on any date without premium or penalty. The prepayment price shall be an amount equal to the principal amount to be prepaid plus the accrued interest thereon to the prepayment date. All prepayments of principal pursuant to this Section 2.6 shall be applied to principal in inverse order of maturity.

Section 2.7 **Security**. To provide for the payment of principal of and interest on the Note the Authority hereby grants to the Lender a security interest in all Net Revenues. The Authority covenants and agrees that it will fix, charge and collect all other fees or charges comprising the Revenues in amounts which shall be fully sufficient at all times to pay the principal of and interest on the Note and any other obligations secured by Net Revenues.

Section 2.8 **Segregation of Revenues**The Authority shall maintain a separate fund into which shall be deposited the Revenues and the Authority shall segregate such revenues collected from the general fund of the Authority.

ARTICLE III

SPECIAL AGREEMENTS

Section 3.1 **Obligations of Authority Unconditional**The obligation of the Authority to make the payments required by Section 2.3 shall be absolute and unconditional. The Authority shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Authority may have or assert against the Lender or any other person.

(b) Until such time as the Note is fully paid the Authority:

(i) will not suspend or discontinue, or permit the suspension or discontinuance of, any Note Payment;

(ii) will perform and observe all of its other agreements contained in this Agreement; and

(iii) except by full payment and retirement of the Note will not terminate this Agreement for any cause.

Section 3.2 **Agreement as Security Agreement**An executed copy of this Agreement shall constitute a security agreement pursuant to applicable law, with the Lender as the secured party. The lien, pledge, and security interest of the Lender created in this Agreement shall become effective immediately upon the Closing Date, and the same shall be continuously effective for so long as the Note is outstanding.

(b) A fully executed copy of this Agreement and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Authority. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Authority, at all times during regular business hours.

(c) Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Note and the pledge of the Net Revenues granted by the Authority under this Agreement, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Note is outstanding and unpaid such that the pledge of the Net Revenues granted by the Authority hereunder is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the Lender the perfection of the security interest in said pledge, the Authority 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 and Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

Section 3.3 **Financial Statements and Reports**For so long as any amounts remain outstanding under the Note, the Authority will promptly furnish to the Lender from time to time upon request such information regarding the business and affairs and financial condition of the

Authority as the Lender may reasonably request, and furnish to the Lender promptly after available and in any event within two hundred seventy (270) days of each fiscal year end, current audited financial statements, on a consolidated basis, of the Authority, or if not separately prepared, then of the Authority, including (i) a balance sheet, (ii) statement of revenues, expenses and changes in fund balances, (iii) statements of cash flow, (iv) operating fund budget analysis, and (iv) appropriate notes and attachments to the financial statements.

Section 3.4 **Inspection Rights**At any reasonable time and from time to time, the Authority will permit representatives of the Lender to examine, copy, and make extracts from its books and records, to visit and inspect its properties, and to discuss its business, operations, and financial condition with its officers, employees, and independent certified public accountants.

Section 3.5 **Keeping Books and Records**The Authority will maintain proper books of record and account in which full, true, and correct entries in conformity with generally accepted accounting principles shall be made of all dealings and transactions in relation to its business and activities.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 **Representations and Warranties of Lender**The Lender represents and warrants to the Authority the following:

(a) The Lender has all necessary power and authority to enter into and perform this Agreement.

(b) The Lender has taken all actions required to authorize and execute this Agreement and to perform its obligations hereunder and the execution, delivery and performance by the Lender of and compliance with the provisions of this Agreement will not conflict with any existing law, regulation, rule, decree or order or any agreement or other instrument by which the Lender is bound.

Section 4.2 **Representations by the Authority**The Authority represents, warrants and covenants to the Lender as follows:

(a) The Authority is a Texas water supply Authority and has all of the rights, powers, privileges, authority and functions granted under the Constitution and laws of the State of Texas and is authorized by Chapter 6906 of the *Texas Special Authority Local Laws Code*, and Section 49.153 of the *Texas Water Code* (together being the "Act") to execute and to enter into this Agreement and to undertake the transactions contemplated herein and to carry out its obligations hereunder.

(b) The Authority is duly organized, validly existing, and in good standing under the laws of the State. The Authority has all requisite power, authority and legal right to execute and deliver the Loan Documents and all other instruments and documents to be executed and delivered by the Authority pursuant thereto, to perform and observe the provisions thereof and to carry out the transactions contemplated by the Loan Documents. All action on the part of the

Authority which is required for the execution, delivery, performance and observance by the Authority of the Loan Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the Authority do not contravene applicable law or any contractual restriction binding on or affecting the Authority.

(c) The Authority has duly approved the borrowing of funds from the Lender; no other authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required as a condition to the performance by the Authority of its obligations under any of the Loan Documents.

(d) This Agreement and the Note are legally valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

(e) There is no default of the Authority in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Loan Documents or the ability of the Authority to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or, to the knowledge of the undersigned officers of the Authority, threatened action or proceeding before any court, governmental agency or department or arbitrator (i) to restrain or enjoin the execution or delivery of this Agreement and the Note or the collection of any Net Revenues to pay the Note, (ii) in any way contesting or affecting the authority for the execution and delivery or the validity of the Loan Documents, or (iii) in any way contesting the levy of the Economic Development Sales and Use Tax or the existence of the Authority or the title or powers of the officers of the Authority.

(g) In connection with the authorization, execution and delivery of this Agreement and the Note, the Authority has complied with all provisions of the laws of the State, including the Act.

(h) The execution and delivery of the documents contemplated hereunder do not violate any provision of any instrument or agreement to which the Authority is a party or by which it is bound.

(i) The Authority has, by proper corporate action, duly authorized the execution and delivery of this Agreement.

(j) The Authority is not in default under or in violation of the Constitution or any of the laws of the State relevant to the issuance of the Note or the consummation of the transactions contemplated hereby or in connection with such issuance, and has duly authorized the issuance of the Note and the execution and delivery of this Agreement. The Authority agrees that it will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement and the Indenture.

(k) The Authority's books and records properly reflect the financial condition of the Authority and, to the best of the Authority's knowledge, there has been no material adverse change in the business, condition (financial or otherwise), operations, prospects or properties of the Authority since the effective date of the Authority's most recent financial statements.

Section 4.3 Tax Matters

(a) The Authority covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Note as an obligation described in Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the Authority specifically covenants as follows:

(i) To refrain from taking any action which would result in the Note being treated as "private activity bonds" within the meaning of Section 141(a) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Note or the projects financed therewith are used for any "private business use," as defined in Section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the Authority with respect to such private business use, do not under the terms of this Agreement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Note, in contravention of Section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Note or the projects financed therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of Section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than 5% of the proceeds of the Note is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of Section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Note being "federally guaranteed" within the meaning of Section 149(b) of the Code;

(vi) Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Note, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in Section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Note;

(vii) To otherwise restrict the use of the proceeds of the Note or amounts treated as proceeds of the Note, as may be necessary, so that the Note does not otherwise contravene the requirements of Section 148 of the Code (relating to arbitrage) and, to the extent applicable, Section 149(d) of the Code (relating to advance refundings);

(viii) Except to the extent otherwise provided in Section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the issue date of the Note an amount that is at least equal to 90% of the "Excess Earnings," within the meaning of Section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Note has been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under Section 148(f) of the Code; and

(ix) To maintain such records as will enable the Authority to fulfill its responsibilities under this subsection and Section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Note.

For the purposes of the foregoing, in the case of a refunding bond, the term proceeds includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the refunded bonds.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of 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 Note, the Authority will not be required to comply with any covenant contained herein to the extent that such noncompliance, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Note 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 Note, the Authority agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code.

(b) Proper officers of the Authority charged with the responsibility of issuing the Note are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the Authority, which may be permitted by the Code as are consistent with the purpose for the issuance of the Note.

(c) Notwithstanding any other provision in this Agreement, to the extent necessary to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code, the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Note.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The Authority covenants that the Authority will regulate the use of the property financed, directly or indirectly, with the proceeds of the Note and will not sell, lease (other than to the Authority's contracted service provider), or otherwise dispose of such property unless (i) the Authority takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Note under Section 103 of the Code or (ii) the Authority seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

(e) Designation as Qualified Tax-Exempt Obligations. The Authority hereby designates the Note as a "qualified tax-exempt obligation" as defined in Section 265(b)(3) of the Code. In furtherance of such designation, the Authority represents, covenants, and warrants the following: (a) during the calendar year in which the Note is issued, the Authority (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Note, will result in more than $10,000,000 of "qualified tax-exempt obligations" being issued; (b) the Authority reasonably anticipates that the amount of tax-exempt obligations issued during 2022 by the Authority (including any subordinate entities) will not exceed $10,000,000; and (c) the Authority will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Note as a "qualified tax-exempt obligation."

(f) The representations above shall be deemed to be made on and as of the date hereof and as of the date of the Note.

ARTICLE V

REMEDIES SECTION

Section 5.1 **Remedies Available**So long as any Event of Default has occurred and is continuing, the Lender may take any action at law or in equity, including without limitation seeking a writ of mandamus, to collect all amounts then due under this Agreement and the enforcing of compliance with any other obligation of the Authority under this Agreement.

(a) In addition to the remedies provided in subsection (a) of this Section, the Lender shall, to the extent permitted by law, be entitled to recover the costs and expenses, including attorney's fees and court costs, incurred by the Lender in the proceedings authorized under subsection (a) of this Section.

(b) Notwithstanding any other provision of this Agreement, the acceleration of the Note Payments is not available as a remedy under this Agreement.

Section 5.2 **Application of Money Collected**Any money collected as a result of the taking of remedial action pursuant to this Article VI, including money collected as a result of foreclosing the liens of this Agreement, shall be applied to cure the Event of Default with respect to which such remedial action was taken.

Section 5.3 **Restoration of Rights**If any action taken as a result of an Event of Default is discontinued or abandoned for any reason, or is determined adversely to the interests of the Lender, or if an Event of Default is cured, all parties shall be deemed to be restored to their respective positions and rights under the Loan Documents as if such Event of Default had not occurred.

Section 5.4 **Non-Exclusive Remedies**No remedy conferred upon or reserved to the Lender by this Agreement is intended to be exclusive of any other available remedy, and each such remedy shall be in addition to any other remedy given under this Agreement or the other Loan Documents or now or hereafter existing at law or in equity.

Section 5.5 **Delays**No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

Section 5.6 **Limitation on Waivers**If an Event of Default is waived, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed a waiver of any other Event of Default; provided, that no waiver of an Event of Default shall be effective unless such waiver is made in writing.

ARTICLE VI

DISCHARGE BY PAYMENT

When the Note has been paid in full or when the Authority has made payment to the Lender of the whole amount due or to become due under the Note (including all interest that has accrued thereon or that may accrue to the date of maturity or prepayment, as applicable), and all other amounts payable by the Authority under this Agreement have been paid, the liens of this Agreement shall be discharged and released, and the Lender, upon receipt of a written request by the Authority and the payment by the Authority of the reasonable expenses with respect thereto, shall discharge and release the lien of this Agreement and execute and deliver to the Authority such releases or other instruments as shall be requisite to release the lien hereof.

ARTICLE VII

MISCELLANEOUS

Section 7.1 **Term of Agreement**This Agreement shall become effective upon the Closing Date and shall continue in full force and effect until all obligations of the Authority under this Agreement and the Note have been fully paid.

Section 7.2 **Notices**(a) All notices, certificates, or other communications required by or made pursuant to this Note Agreement shall be in writing and given by certified or registered United States Mail, return receipt requested, addressed as follows:

(i) if to the Lender:

Allegiance Bank
2200 Nasa Pkwy, Suite 100
Houston, Texas 77058

(ii) if to the Authority:

Memorial Villages Water Authority
8955 Gaylord Street

Houston, Texas 77024

(b) The Authority and the Lender may designate any further or different addresses to which subsequent notices shall be sent; provided, that, any of such parties shall designate only one address for such party to receive such notices.

(c) Except as otherwise provided by this Agreement, any communication delivered by mail in compliance with this section is deemed to have been given as of the date of deposit in the mail.

(d) A provision of this Agreement that provides for a specific method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

Section 7.3 **Binding Effect, Assignment**(a) This Agreement shall (i) be binding upon the Authority, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns; provided that the Authority may not assign all or any part of this Agreement without the prior written consent of the Lender. The Lender may assign, transfer or grant participations in all or any portion of this Agreement, the Note, or any of its rights or security hereunder, including without limitation, the instruments securing the Authority's obligations under this Agreement; provided that any such assignment, transfer or grant shall be made only to a financial institution whose primary business is the lending of money.

Section 7.4 **Expenses, Fees, Etc**The Authority hereby agrees to pay on demand all reasonable costs and expenses of the Lender in connection with the preparation, negotiation, execution, and delivery of the Loan Documents and any and all amendments, modifications, renewals, extensions, and supplements thereof and thereto, including, without limitation, the fees and expenses of legal counsel for the Lender and other professionals.

Section 7.5 **Severability**If any part of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect the remainder of this Agreement.

Section 7.6 **Counterparts**This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same document.

Section 7.7 **Applicable Law**. This Agreement shall be governed in all respects, whether as to validity, construction, performance, or otherwise, by the laws of the State and, if applicable, federal law.

Section 7.8 **Jurisdiction**All actions or proceedings with respect to, and the performance of, the Note and this Agreement shall be, or shall be instituted in the courts of the State of Texas, in Harris County, Texas, and by execution and delivery of this Agreement, the Authority and the Lender irrevocably and unconditionally submit to the jurisdiction of such courts and unconditionally waive (i) any objection each may now or hereafter have to the laying of venue in any such courts, and (ii) any claim that any action or proceeding brought in any such courts has been brought in an inconvenient forum.

Section 7.9 <u>Verifications</u>

(a) Lender hereby verifies its company and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Lender understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Lender and exists to make a profit.

(b) Lender represents that neither Lender nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or Federal law and excludes Lender and each parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Lender understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with Lender and exists to make a profit.

(c) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session ("SB 13")), Texas Government Code, as amended, the Lender hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by SB 13) by reference to Section 809.001, Texas Government Code (as enacted by such SB 13),shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

(d) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session ("SB 19")), Texas Government Code, as amended, the Lender hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, (a) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association, (b) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and (c) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

Section 7.10 __**Notice of Final Agreement**__. **THIS WRITTEN AGREEMENT AND ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective duly authorized officers as of the date first above written.

ALLEGIANCE BANK

By: ______________________________
Name: ______________________________
Title: ______________________________

MEMORIAL VILLAGES WATER AUTHORITY

By: ______________________________

President

Memorial Villages Water Authority

ATTEST:

By: ______________________________

Secretary

Memorial Villages Water Authority

EXHIBIT A

$3,000,000.00 ______________, 20__

MEMORIAL VILLAGES WATER AUTHORITY
REVENUE NOTE

MEMORIAL VILLAGES WATER AUTHORITY (the "*Authority*") for value received, hereby promises to pay to the order of **ALLEGIANCE BANK**, its successor or assigns, at its offices located at 2200 Nasa Pkwy, Suite 100, Houston, Texas 77058 the principal sum of THREE MILLION AND NO/100 DOLLARS ($3,000,000.00).

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated as of even date herewith, between the Authority and the Lender (such Loan Agreement, together with all amendments, restatements, supplements and/or other modifications thereto, being the "*Loan Agreement*").

This is a draw note. The Authority may draw up to the aggregate principal amount of this Note ($3,000,000) but such amounts may not be drawn, repaid and drawn again. The Lender shall keep a record of each amount drawn and such records shall be final and binding absent manifest error. Only the amounts drawn and not repaid shall bear interest and such interest shall accrue from the date of each draw.

The Authority agrees to pay accrued interest only on the amounts hereof so advanced beginning on the first day of the first calendar quarter immediately following the first draw and continuing on the first day of each calendar quarter thereafter (each an "*Interest Only Payment Date*"). Interest shall accrue at a per annum rate of the lesser of (a) 3.00% or (b) the Maximum Interest Rate. All unpaid principal and accrued interest shall be finally due and payable on or before ______________ (the "Maturity Date").

Past due principal and interest shall bear interest at a rate per annum which is fifteen percent (15.0%), but in no event to exceed the Maximum Interest Rate.

All payments of interest shall be computed annually based on a 360 day year and the actual number of days elapsed.

Principal of and interest on this Note shall be payable from and secured by a pledge of the Net Revenues of the Authority, as described in and subject to the limitations contained in the Loan Agreement..

This Note is authorized under that certain Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions and provisions thereof. A fully executed copy of the Loan Agreement is on file in the permanent records of the Authority and is open for inspection to any member of the general public and to any person proposing to do business with, or asserting claims against, the Authority, at all times during regular business hours.

Except as otherwise provided in the Loan Agreement, the Authority waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Authority and holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the holder hereof in excess of the Maximum Interest Rate, then the interest payable to the holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Authority. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Authority and the holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE STATE OF TEXAS NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE AUTHORITY IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE AUTHORITY HAS PLEDGED ITS NET REVENUES DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

The Authority may, in its discretion, prepay all or any portion of the outstanding principal amount of this Note pursuant to Section 2.6 of the Loan Agreement.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Lender is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note shall be governed in all respects by the laws of the State of Texas and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed effective as of the date first written above.

MEMORIAL VILLAGES WATER AUTHORITY

By: ______________________________

President
Memorial Villages Water Authority

ATTEST:

By: ________________________

Secretary
Memorial Villages Water Authority

$3,000,000.00 _______ _______, 20__

MEMORIAL VILLAGES WATER AUTHORITY
REVENUE NOTE

MEMORIAL VILLAGES WATER AUTHORITY (the "*Authority*") for value received, hereby promises to pay to the order of **ALLEGIANCE BANK**, its successor or assigns, at its offices located at 2200 Nasa Pkwy, Suite 100, Houston, Texas 77058 the principal sum of THREE MILLION AND NO/100 DOLLARS ($3,000,000.00).

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated as of even date herewith, between the Authority and the Lender (such Loan Agreement, together with all amendments, restatements, supplements and/or other modifications thereto, being the "*Loan Agreement*").

This is a draw note. The Authority may draw up to the aggregate principal amount of this Note ($3,000,000) but such amounts may not be drawn, repaid and drawn again. The Lender shall keep a record of each amount drawn and such records shall be final and binding absent manifest error. Only the amounts drawn and not repaid shall bear interest and such interest shall accrue from the date of each draw.

The Authority agrees to pay accrued interest only on the amounts hereof so advanced beginning on the first day of the first calendar quarter immediately following the first draw and continuing on the first day of each calendar quarter thereafter (each an "*Interest Only Payment Date*"). Interest shall accrue at a per annum rate of the lesser of (a) 3.00% or (b) the Maximum Interest Rate. All unpaid principal and accrued interest shall be finally due and payable on or before _______________ (the "Maturity Date").

Past due principal and interest shall bear interest at a rate per annum which is fifteen percent (15.0%), but in no event to exceed the Maximum Interest Rate.

All payments of interest shall be computed annually based on a 360 day year and the actual number of days elapsed.

Principal of and interest on this Note shall be payable from and secured by a pledge of the Net Revenues of the Authority, as described in and subject to the limitations contained in the Loan Agreement..

This Note is authorized under that certain Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions and provisions thereof. A fully executed copy of the Loan Agreement is on file in the permanent records of the Authority and is open for inspection to any member of the general public and to any person proposing to do business with, or asserting claims against, the Authority, at all times during regular business hours.

Except as otherwise provided in the Loan Agreement, the Authority waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Authority and holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the holder hereof in excess of the Maximum Interest Rate, then the interest payable to the holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Authority. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Authority and the holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE STATE OF TEXAS NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE AUTHORITY IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE AUTHORITY HAS PLEDGED ITS NET REVENUES DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

The Authority may, in its discretion, prepay all or any portion of the outstanding principal amount of this Note pursuant to Section 2.6 of the Loan Agreement.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Lender is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note shall be governed in all respects by the laws of the State of Texas and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed effective as of the date first written above.

MEMORIAL VILLAGES WATER AUTHORITY

By: ______________________________
President
Memorial Villages Water Authority

ATTEST:

By: ________________________
Secretary
Memorial Villages Water Authority

CERTIFICATE FOR RESOLUTION

On ____________, 20__, we, the undersigned officers of the Memorial Villages Water Authority, hereby certify as follows:

1. The Board of Supervisors of the Memorial Villages Water Authority (the "Authority") convened in Regular Meeting on _____________, 20__ at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board of Supervisors, and all of said persons were present, except the following absentees: ______________________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MEMORIAL VILLAGES WATER AUTHORITY REGARDING A LOAN IN THE AMOUNT NOT TO EXCEED $3,000,000

was duly introduced for the consideration of said Board of Supervisors and read in full. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Board of Supervisors shown present above voted "*Aye*" except as shown below.

NOES: ________________

ABSTAIN: ________________

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Board of Supervisors' minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board of Supervisors' minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board of Supervisors as indicated therein; that each of the officers and members of said Board of Supervisors was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the President of the Board of Supervisors of the Authority has approved and hereby approves the aforesaid Resolution; that the President and the Secretary of said Authority have duly signed said Resolution; and that the President and the Authority Secretary of said

Authority hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

Signed on the date first written above.

Secretary, Board of Supervisors	President, Board of Supervisors

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MEMORIAL VILLAGES WATER AUTHORITY REGARDING A LOAN IN THE AMOUNT NOT TO EXCEED $3,000,000

WHEREAS, MEMORIAL VILLAGES WATER AUTHORITY (*"Borrower"*) proposes to enter into a Loan Agreement dated as of ________________ (as amended, restated, supplemented and/or otherwise modified, the *"Loan Agreement"*), with Allegiance Bank, as lender (*"Lender"*) to enable Borrower to finance construction of improvements to its water and wastewater systems and pay professional design fees incurred in connection with these capital improvement projects, in an amount not to exceed $3,000,000 and as for the payment of the principal of and interest thereon, the Borrower has agreed to pledge its Net Revenues. All capitalized terms used herein, but not otherwise defined herein, shall have the meaning ascribed to such term in the Loan Agreement.

WHEREAS, the proposed form of the Loan Agreement and Note have been presented to this meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MEMORIAL VILLAGES WATER AUTHORITY AS FOLLOWS:

Section 1. The Board of Supervisors agrees to enter into the Loan Agreement and Note to finance construction of improvements to its water and wastewater systems and pay professional design fees incurred in connection with these capital improvement projects in an amount not to exceed $3,000,000 at an interest rate agreed upon by the Lender and the Borrower on the date of execution of the Note and the Loan Agreement and, in order to secure the principal of and interest on the Note, to pledge its Net Revenues.

Section 2. That the President and Secretary are authorized to execute, acknowledge and deliver in the name and on behalf of Borrower to the Lender the Loan Agreement, including all attachments and exhibits thereto and the Note, and the Loan Agreement and the Note shall be in substantially the form presented to this meeting with such changes as the signing officers shall determine to be advisable. Further, said President and Secretary are authorized to execute, acknowledge and deliver in the name and on behalf of the Borrower any other agreement, instrument, certificate, representation and document, and to take any other action as may be advisable, convenient or necessary to enter into such Loan Agreement and the Note; the execution thereof by the President and Secretary shall be conclusive as to such determination.

Section 3. That there is hereby authorized the execution and delivery by the President in the name of and on behalf of Borrower the Loan Agreement, including all attachments and exhibits thereto and the Note in substantially the form presented to this meeting with such changes as the signing officer shall determine advisable, and the execution thereof shall be conclusive as to such determination.

Section 4. That this Resolution shall take effect immediately.

PASSED AND ADOPTED this _____________, 20__.

MEMORIAL VILLAGES WATER AUTHORITY

By:_____________________________________
President
Memorial Villages Water Authority

ATTEST:

By:_________________________________
Secretary
Memorial Villages Water Authority

CERTIFICATE FOR ORDER CALLING SUPERVISORS ELECTION

THE STATE OF TEXAS
COUNTY OF HARRIS
MEMORIAL VILLAGES WATER AUTHORITY

We, the undersigned officers of the Board of Supervisors (the "Board") of Memorial Villages Water Authority (the "Authority"), hereby certify as follows:

The Authority convened in regular session, open to the public, on August 2, 2022, at the Authority's office at 8955 Gaylord, Houston, Harris County, Texas at 7:00 pm, and the roll was called of the members of the Board, to-wit:

Gary Schenk, President
Will Wilson, Vice President
Randolph Ewing, Secretary
Veronica Roa, Assistant Secretary
Cathy Stubbs, Assistant Secretary
Unal Baysal, Assistant Secretary
Locke Braly, Supervisor

All members of the Board were present, except the following: ____________________, thus constituting a quorum. Whereupon among other business, the following was transacted at such Meeting: A written

ORDER CALLING SUPERVISORS ELECTION

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

AYES: NOES:

A true, full, and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen qualified, and action officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such Meeting and each of such officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public, and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551, Texas Government Code, as amended, and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED this August 2, 2022.

President, Board of Supervisors

Secretary, Board of Supervisors

ORDER CALLING SUPERVISORS ELECTION

WHEREAS, Memorial Villages Water Authority (the "*Authority*") is a conservation and reclamation district under article XVI, section 59 of the Texas Constitution, and operates under Chapters 49 and 53 of the Texas Water Code, as amended; and

WHEREAS, the Authority is required to hold a Supervisors Election on the Tuesday after the first Monday in November of even-numbered years unless each candidate in the election is unopposed; and

WHEREAS, the Board of Supervisors of the Authority (the "*Board*") deems it necessary and appropriate to establish the procedures whereby such election may be held;

IT IS, THEREFORE, ORDERED BY THE BOARD THAT:

Pursuant to Section 49.103 of the Texas Water Code and Sections 41.001 and 41.0052 of the Election Code, an election shall be held for and within the Authority on November 8, 2022, for the election of a Supervisor for Positions 2, 4, 6 and 7, each of whom shall serve a four-year term, unless the Secretary of the Board certifies that the candidate for each position is unopposed for election.

The election shall be held jointly with Harris County, Texas (the "*County*") under the provisions of Chapter 271, Texas Election Code, and a Joint Election Agreement between the County and the District (the "*Joint Election Agreement*"), pursuant to which the County will provide certain election services to the District. The County's website is https://www.harrisvotes.org/.

Early voting in such election by personal appearance shall be conducted on the days, during the hours and at the locations detailed on *Exhibit A*, such locations being the designated early voting polling places provided by the County pursuant to the Joint Election Agreement, any one of which is authorized to be used by voters in the District under the Countywide Polling Place Program established pursuant to Section 43.007(i), Texas Election Code, in which the County participates.

The Board hereby appoints Harris County Elections Administrator, as the Early Voting Clerk and Central County Manager for the election.

Applications for ballot by mail shall be mailed to:
Harris Elections Administrator
Attention: Elections Division
PO Box 1148,
Houston, Texas 77251-1148
Telephone: 7123 755-6965
Email address: vbm@harrisvotes.com
Early Voting Clerk's website: www.harrisvotes.org

Applications for ballots by mail may be delivered by common or contract carrier to:
Harris Elections Administrator
Attention: Elections Division
1001 Preston, 4th Floor
Houston, Texas 77002

Applications for Ballots by Mail (ABBMs) must be received no later than the close of business on October 28, 2022.

Federal Post Card Applications (FPCAs) must be received no later than the close of business on October 28, 2022.

Election Day voting in such election shall be conducted from 7:00 a.m. to 7:00 p.m. at the locations detailed on ***Exhibit B***, such locations being the designated Election Day polling places provided by the County pursuant to the Joint Election Agreement, any one of which is authorized to be used by voters in the District under the Countywide Polling Place Program established pursuant to Section 43.007(i), Texas Election Code, in which the County participates.

In accordance with Section 61.012, voting shall be conducted by an electronic voting system adopted by resolution of the Commissioners Court of Harris County, Texas, which has been certified by the Texas Secretary of State as complying with the requirement for an accessible voting system, to-wit: Hart Verity 2.4.

The ballots for such election shall be prepared in sufficient number and in conformity with the Texas Election Code, as it may be amended from time to time, and shall be substantially as follows:

MEMORIAL VILLAGES WATER AUTHORITY
SUPERVISORS ELECTION

November 8, 2022

OFFICIAL BALLOT

Vote for none or one candidate of your choice for each position by placing an "X" or filing in the shape beside the candidate's name.

Hedwig Village Representative - Position No. 2

[ ] ______________

[ ] ______________

Hunters Creek Village Representative - Position No. 4

[ ] ______________

[ ] ______________

Piney Point Village Representative - Position No. 6

[ ] ______________

[ ] ______________

At Large Representative - Position No. 7

[ ] ______________

[ ] ______________

The persons appointed by the Harris County Commissioners Court, Election Board and the Early Voting Clerk as election officials, such as Election Day Presiding Judge and Alternate Judges, Early Voting Judges and Clerks, Early Voting Ballot Board and Central County Presiding and Alternative Judges, Central County Manager and Tabulation Supervisor, are hereby approved. The Harris County Elections Administrator shall serve as the joint custodian of record for all election returns and shall provide for the storage of election records.

Pursuant to the applicable provisions of the Texas Election Code, including but not limited to Chapter 31, Texas Election Code, the Board hereby authorizes and approves the Joint Election Agreement, and authorizes its execution by the Board's President and Scretary.

The Board's President and Secretary and the attorney for the District are hereby authorized and directed to take any action necessary to comply with the provisions of the Texas Elections Code, the Texas Water Code and the Federal Voting Rights Act and the terms and provisions of the Joint Election Agreement in carrying out the provisions of this Order, whether or not expressly authorized herein.

The officers of the Board are each authorized to evidence adoption of this Order and directed to do any and all things legal and necessary to hold such election and otherwise to carry out the intent hereof.

In case any provision in this Order shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

*   *   *

Exhibit A
Harris County Early Voting Dates, Hours and Locations

(Subject to change)

Exhibit B
Harris County Election Day Voting Locations

(Subject to Change)

PERMITTEE NAME / ADDRESS	
NAME	MEMORIAL VILLAGES WATER AUTHORITY
ADDRESS	8955 GAYLORD
	HOUSTON TX, 77024
FACILITY	WASTEWATER TREATMENT FACILITY
LOCATION	11 1/2 FARNHAM PARK
	HOUSTON TX, 77024

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)

DISCHARGE MONITORING REPORT

Exhibit F

TOTAL FACILITY DISCHARGE

TX 0047457	011 A
PERMIT NUMBER	DISCHARGE NUMBER

F - FINAL

MAJOR

	MONITORING PERIOD		
	YEAR/MO/DAY		YEAR/MO/DAY
FROM	22/06/01	TO	22/06/30

*** NO DISCHARGE ☐ ***

PARAMETER		QUANTITY OR LOADING			QUALITY OR CONCENTRATION				NO.	FREQUENCY	SAMPLE
		AVERAGE	MAXIMUM	UNITS	MINIMUM	AVERAGE	MAXIMUM	UNITS	EX	OF ANALYSIS	TYPE
OXYGEN, DISSOLVED (DO)	SAMPLE MEASUREMENT	******	******		6.50	******	******	(19)	0	2 / WEEK	GRAB
00300 1 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	******	******	**** ****	4.0 MO MIN	******	******	MG/L		TWICE/ WEEK	GRAB
PH	SAMPLE MEASUREMENT	******	******		7.1	******	7.4	(12)	0	2 / WEEK	GRAB
00400 1 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	******	******	**** ****	6.0 MINIMUM	******	9.0 MAXIMUM	SU		TWICE / WEEK	GRAB
SOLIDS, TOTAL SUSPENDED	SAMPLE MEASUREMENT	17.54	******	(26)	******	1.73	4.90	(19)	0	2 / WEEK	COMP-6
00530 1 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	382 30 DA AVG	******	LBS/DAY	******	15 DAILY AVG	40 DAILY MAX	MG/L		TWICE / WEEK	COMP-6
NITROGEN, AMMONIA TOTAL (AS N)	SAMPLE MEASUREMENT	3.86	******	(26)	******	0.38	1.80	(19)	0	2 / WEEK	COMP-6
EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	76 30 DA AVG	******	LBS/DAY	******	2 DAILY AVG	10 DAILY MAX	MG/L		TWICE / WEEK	COMP-6
FLOW, IN CONDUIT OR THRU TREATMENT PLANT	SAMPLE MEASUREMENT	1.096	1.516	(03)	******	******	******		0	CONT	METER TOTAL
50050 1 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	REPORT DAILY AVG	REPORT DAILY MAX	MGD	******	******	******	**** ****		CONTIN UOUS	TOTALZ
FLOW, IN CONDUIT OR THRU TREATMENT PLANT	SAMPLE MEASUREMENT	******	1,008	(78)	******	******	******		0	CONT	METER TOTAL
50050 P 0 0 See Comments Below	PERMIT REQUIREMENT	******	6422 2HR PEAK	GPM	******	******	******	**** ****		CONTIN UOUS	TOTALZ
FLOW, IN CONDUIT OR THRU TREATMENT PLANT	SAMPLE MEASUREMENT	1.386	******	(03)	******	******	******		0	CONT	METER TOTAL
50050 P 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	3.05 ANNL AVG	******	MGD	******	******	******	**** ****		CONTIN UOUS	TOTALZ

TRC 0.5 MINIMUM TO BE REPORTED IF " JET DISINFECTION " APPLIES, OTHERWISE 1.0 MINIMUM WILL APPLY.

PERMITTEE NAME / ADDRESS

NAME MEMORIAL VILLAGES WATER AUTHORITY

ADDRESS 8955 GAYLORD

HOUSTON TX, 77024

FACILITY WASTEWATER TREATMENT FACILITY

LOCATION 11 1/2 FARNHAM PARK

HOUSTON TX. 77024

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)

DISCHARGE MONITORING REPORT

TOTAL FACILITY DISCHARGE

TX 0047457	011 A
PERMIT NUMBER	DISCHARGE NUMBER

F - FINAL
MAJOR

	YEAR/MO/DAY		YEAR/MO/DAY
FROM	22/06/01	TO	22/06/30

*** NO DISCHARGE **

PARAMETER		QUANTITY OR LOADING AVERAGE	QUANTITY OR LOADING MAXIMUM	QUANTITY OR LOADING UNITS	QUALITY OR CONCENTRATION MINIMUM	QUALITY OR CONCENTRATION AVERAGE	QUALITY OR CONCENTRATION MAXIMUM	QUALITY OR CONCENTRATION UNITS	NO. EX	FREQUENCY OF ANALYSIS	SAMPLE TYPE
CHLORINE, TOTAL RESIDUAL	SAMPLE MEASUREMENT	******	******		******	******	0.09	(19)	0	8/PER DAY	GRAB
50060 B 0 0 PRIOR TO DISINFECT	PERMIT REQUIREMENT	******	******	**** ****	******	******	0.099 INST. MAX	MG/L		DAILY	GRAB
CHLORINE, TOTAL RESIDUAL	SAMPLE MEASUREMENT	******	******		1.23	******	******	(19)	0	8/PER DAY	GRAB
50060 P 0 0 SEE COMMENTS BELOW	PERMIT REQUIREMENT	******	******	**** ****	1.0 MO MIN	******	******	MG/L		DAILY	GRAB
E.coli	SAMPLE MEASUREMENT					15.56	158.00	(3Z)	0	2 / WEEK	GRAB
51040 1 0 0	PERMIT REQUIREMENT					63 DAILY AVG.	200 DAILY MAX	MPN/100ml		01/07 WEEKLY	GRAB
BOD, CARBONACEOUS 05 DAY, 20 C	SAMPLE MEASUREMENT	38.96	******	(26)	******	3.91	7.50	(19)	0	2 / WEEK	COMP - 6
80082 1 0 0 EFFLUENT GROSS VALUE	PERMIT REQUIREMENT	254 30 DA AVG	******	LBS/DAY	******	10 DAILY AVG.	25 DAILY MAX	MG/L		TWICE / WEEK	COMP - 6
	SAMPLE MEASUREMENT										
	PERMIT REQUIREMENT										
	SAMPLE MEASUREMENT										
	PERMIT REQUIREMENT										
	SAMPLE MEASUREMENT										
	PERMIT REQUIREMENT										

TRC 0.5 MINIMUM TO BE REPORTED IF " JET DISINFECTION " APPLIES, OTHERWISE 1.0 MINIMUM WILL APPLY.

Exhibit G

MEMORIAL VILLAGES
WATER AUTHORITY

WASTE WATER TREATMENT FACILITY
MONTHLY OPERATING REPORT

FOR :June ,2022
PERMIT # TX-0047457

		TREATMENT FACILITY QUANTITY & QUALITY RESULTS										RAW INFLUENT				RAIN
DATE	TIME	TREATED MGD	CBOD mg/l	TSS mg/l	NH3-N mg/l	PH units	CL2 min	CL2 lbs	D.O. min	DE-CL2 max	e-coli GeoMean	BOD mg/l	NH3N mg/l	TSS mg/l	VSS mg/l	TOTAL INCHES
1	07:00	1.236000					1.66	130		0.03						
2	07:00	1.516000	3.40	2.00	0.60	7.20	1.67	130	8.60	0.07	1.28	62.8	23.7	64.0	62.0	
3	07:00	0.831000					2.23	120		0.05						
4	08:00	1.216000					1.73	140		0.02						
5	08:00	1.102000					4.39	100		0.04						
6	07:00	0.929000					1.87	100		0.03						
7	07:00	1.150000	7.50	4.90	0.20	7.10	1.4	110	7.60	0.04	0.78	210.0	30.9	216.0	182.0	
8	07:00	1.113000					2.37	160		0.05						
9	07:00	1.106000	7.20	1.40	0.10	7.40	1.28	130	6.50	0.03	0.60	303.0	32.6	290.0	262.0	
10	07:00	1.104000					1.87	140		0.09						
11	08:00	1.141000					3.8	120		0.04						
12	08:00	0.940000					3.8	120		0.03						
13	07:00	0.926000					1.91	100		0.07						
14	07:00	1.137000	5.40	1.00	1.80	7.10	1.3	140	7.90	0.08	0.60	81.4	28	66.0	54.0	
15	07:00	1.144000					1.64	140		0.08						
16	07:00	1.102000	2.00	1.40	0.10	7.30	2.16	120	7.80	0.07	2.20	76.8	27.9	70.0	60.0	
17	07:00	1.120000					3.24	140		0.05						
18	08:00	1.158000					3.8	120		0.02						
19	08:00	0.894000					4.35	100		0.03						
20	07:00	0.824000					2.46	120		0.06						
21	07:00	1.149000	2.60	1.00	0.10	7.20	1.33	140	7.60	0.05	1.11	129.0	26.1	66.0	58.0	
22	07:00	1.158000					1.29	120		0.05						
23	07:00	1.331000	2.60	1.10	0.30	7.30	1.27	160	6.60	0.04	1.92	135.0	33.1	176.0	128.0	
24	07:00	1.120000					1.33	140		0.05						
25	08:00	1.191000					2.90	120		0.03						
26	08:00	0.764000					2.60	80		0.02						
27	07:00	0.895000					2.42	100		0.05						
28	07:00	1.256000	2.50	1.50	0.10	7.30	1.23	140	7.50	0.07	1.00	52.9	23	48.0	42.0	0.38
29	07:00	1.146000					2.54	140		0.06						
30	07:00	1.185000	2.00	1.30	0.10	7.20	1.33	140	7.60	0.05	1.23	51.5	23	84.0	72.0	
TOTAL		32.884	35.20	15.60	3.40	65.10	67.17	3760	67.70	1.45	10.73	1102.4	248.3	1080.0	920.0	0.38
AVERAGE		1.096	3.91	1.73	0.38	7.23	2.24	125	7.52	0.05	15.56	122.5	27.6	120.0	102.2	0.38
MAXIMUM		1.516	7.50	4.90	1.80	7.40	4.39	160	8.60	0.09	2.20	303.0	33.1	290.0	262.0	0.38
MINIMUM		0.764	2.00	1.00	0.10	7.10	1.23	80.00	6.50	0.02	0.60	51.50	23.00	48.00	42.00	0.38

EFFLUENT CHARACTERISTICS	DISCHARGE LIMITATIONS				Self Monitoring Sample	
	Daily Avg mg/l(lbs/day)	7-Day Avg mg/l	Daily Max mg/l	Single Grab mg/l	Frequency	Type
CBOD	10 (254)	15	25	35	2/wk	Comp.
TSS	15 (382)	25	40	60	2/wk	Comp.
NH3N						
April - October	2 (51)	6	10	15	2/wk	Comp.
November - March	3 (76)	7	10	15	2/wk	Comp.
E.coli bacteria colonies per 100 ml	63 (N/A)	N/A	197	NA	1/wk	Grab
Chlorine Residual	Min. 1.0 mg/l before 20 min detention		Max. 0.1 mg/l after dechlorination		1/Day	Grab
Dissolved Oxygen	Min. 6.0 mg/l April - October		Min. 4.0 mg/l November - March		2/wk	Grab
pH	Min. 6.0 mg/l		Max. 9.0 mg/l		1/wk	Grab

CHIEF OPERATOR ______________
Noe Martinez Jr.

GEN. MANAGER *Trey Cantu*
Trey Cantu

Exhibit H

Memorial Villages W A
Monthly Tax Office Report
June 30, 2022

Prepared by: Christine A. Porter, Interim Tax Assessor/Collector

A. Current Taxable Value

B. Summary Status of Tax Levy and Current Receivable Balance:

	Current 2022 Tax Year	Delinquent 2021 & Prior Tax Years	Total
Original Levy 0.026369	$ -	$ -	$ -
Carryover Balance	-	74,247.21	74,247.21
Adjustments	-	(2,369.39)	(2,369.39)
Adjusted Levy	-	71,877.82	71,877.82
Less Collections Y-T-D	-	11,756.45	11,756.45
Receivable Balance	$ -	$ 60,121.37	$ 60,121.37

C. COLLECTION RECAP:

Current Month:	Current 2022 Tax Year	Delinquent 2021 & Prior Tax Years	Total
Base Tax	$ -	$ 3,612.95	$ 3,612.95
Penalty & Interest	-	451.50	451.50
Attorney Fees	-	12.07	12.07
Other Fees	-	7.00	7.00
Total Collections	$ -	$ 4,083.52	$ 4,083.52

Year-To-Date:	Current 2022 Tax Year	Delinquent 2021 & Prior Tax Years	Total
Base Tax:	$ -	$ 11,756.45	$ 11,756.45
Penalty & Interest	-	699.15	699.15
Attorney Fees	-	21.07	21.07
Other Fees	-	49.92	49.92
Total Collections	$ -	$ 12,526.59	$ 12,526.59
Percent of Adjusted Levy	#DIV/0!		#DIV/0!

MONTHLY TAX OFFICE REPORT
Tax A/R Summary by Year
June 30, 2022

YEAR	BEGINNING BALANCE AS OF 04/30/2022	ADJUSTMENTS	COLLECTIONS	RECEIVABLE BALANCE AS OF 06/30/2022
21	$ 39,586.41	$ (2,881.60)	$ 12,113.30	$ 24,591.51
20	7,195.87	107.26	(288.10)	7,591.23
19	5,943.71	(86.45)	(70.17)	5,927.43
18	3,839.05	491.40	1.14	4,329.31
17	2,844.31	-	0.28	2,844.03
16	2,660.26	-	-	2,660.26
15	2,363.12	-	-	2,363.12
14	2,922.38	-	-	2,922.38
13	1,290.83	-	-	1,290.83
12	1,472.59	-	-	1,472.59
11	1,271.21	-	-	1,271.21
10	452.12	-	-	452.12
09	456.30	-	-	456.30
08	567.86	-	-	567.86
07	596.03	-	-	596.03
06	444.01	-	-	444.01
05	295.39	-	-	295.39
04	18.15	-	-	18.15
03	13.37	-	-	13.37
02	14.24	-	-	14.24
	$ 44,883.56	$ (2,369.39)	$ 11,756.45	$ 60,121.37

MEMORIAL VILLAGES WATER AUTHORITY
FUND BALANCES - INVESTMENT AND BANK ACCOUNTS Exhibit I

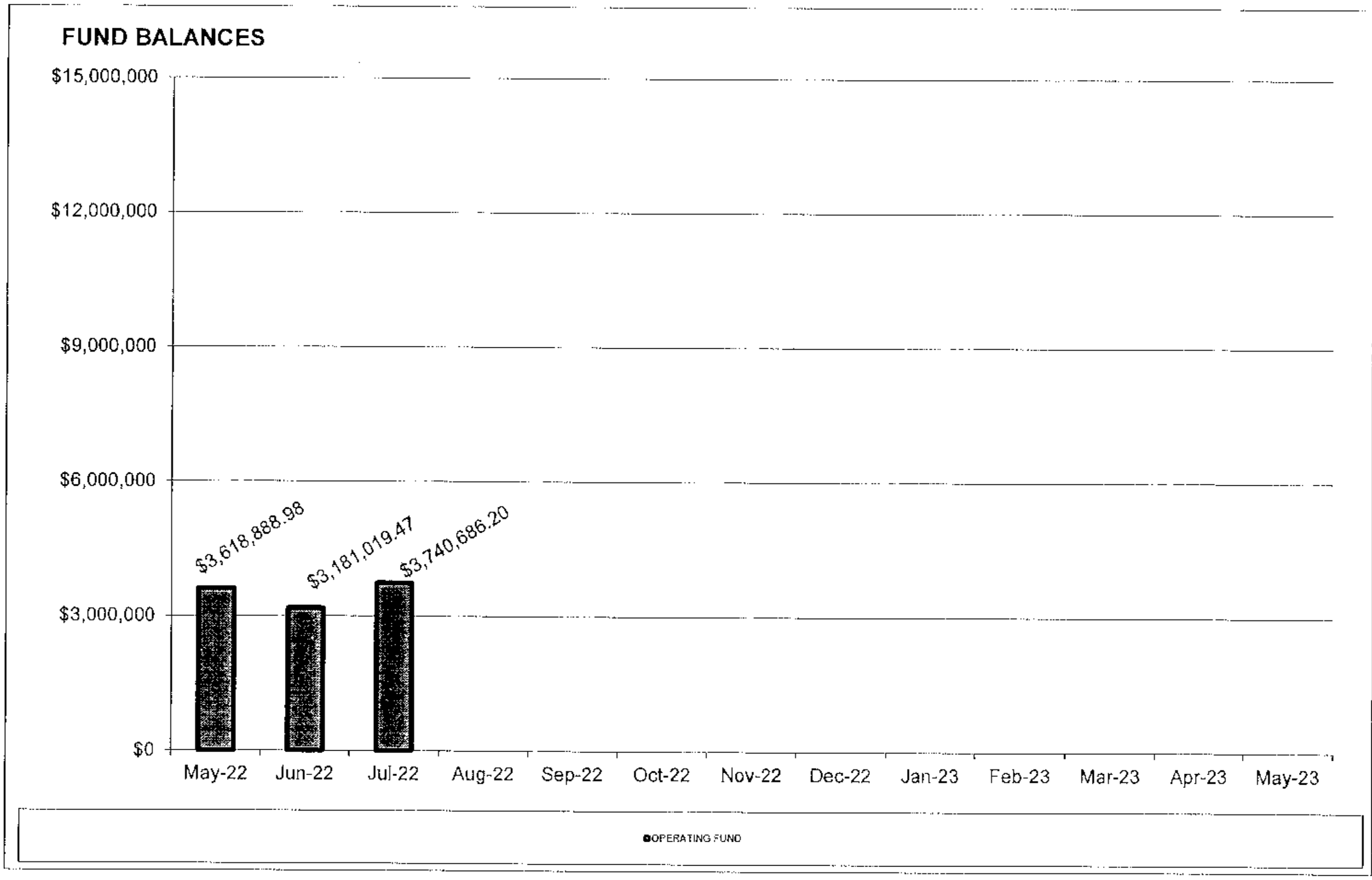
7/29/2022

BANK ACCOUNTS

ACCT. NO.	MVWA FUND NAME	DEPOSITORY	TYPE OF FUND	ACCOUNT VALUE
3542466374	CHECKING - PF	WELLS FARGO	CHECKING	$60,477.28
3542466382	CHECKING - PF PLUS	WELLS FARGO	INT. CHECKING	$1,720,105.89
1004246383	BUSINESS OPERATING	ALLEGIANCE BANK	DEPOSIT/CHECKING	$1,960,103.03
1004246409	BUSINESS CHECKING	ALLEGIANCE BANK	CHECKING	$0.00
			TOTAL VALUE	**$3,740,686.20**

PLEDGED SECURITIES, PAR VALUE, ABOVE FDIC COVERAGE **$3,654,439.07**

MVWA FUND NAME		TOTAL FUND VALUE
OPERATING FUND	TOTAL VALUE	**$3,740,686.20**



I, Trey Cantu, investment officer of Memorial Villages Water Authority (the "Authority"), confirm: I prepared the foregoing investment report. The investment portfolio of the Authority complies with the investment strategy of the Authority as stated in its Investment Policy and the Public Funds Investment Act.

Trey Cantu

Trey Cantu, General Manager

Memorial Villages Water Authority
Check Register
For the Period From Jul 21, 2022 to Jul 21, 2022

Filter Criteria includes: 1) Check Numbers from 6317 to . Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
Transfer	7/21/22	MUTUAL OF AMERICA	01-00-1015	500.00
6317	7/21/22	AVR INC	01-00-1014	246.00
6318	7/21/22	BLUE IRON TECHNOLOGIES	01-00-1014	1,010.35
6319	7/21/22	CAVALLO ENERGY TEXAS LLC	01-00-1014	39,069.99
6320	7/21/22	CENTERPOINT ENERGY	01-00-1014	145.31
6321	7/21/22	CHLORINATOR MAINT. CO., INC.	01-00-1014	435.30
6322	7/21/22	CITY OF HOUSTON	01-00-1014	247,794.90
6323	7/21/22	CITY OF HOUSTON HEALTH DEPT.	01-00-1014	264.00
6324	7/21/22	CORE & MAIN LP	01-00-1014	45,619.00
6325	7/21/22	COWBOY TRUCKING, INC.	01-00-1014	180.00
6326	7/21/22	DEPART OF STATE HEALTH SERVICES	01-00-1014	231.59
6327	7/21/22	DXI INDUSTRIES, INC.	01-00-1014	300.00
6328	7/21/22	EASTEX ENVIRONMENTAL LABORATOR	01-00-1014	1,907.00
6329	7/21/22	ELITE PUMPS & MECHANICAL	01-00-1014	13,289.00
6330	7/21/22	EVA L. MIRELES	01-00-1014	234.00
6331	7/21/22	WEX BANK	01-00-1014	2,764.14
6332	7/21/22	GRAINGER	01-00-1014	817.81
6333	7/21/22	HACH COMPANY	01-00-1014	2,455.04
6334	7/21/22	HEALTHINVEST HRA	01-00-1014	71.13
6335	7/21/22	JOHNSON CONTROLS SECURITY SYSTE	01-00-1014	1,587.38
6336	7/21/22	LANGFORD ENGINEERING	01-00-1014	16,007.31
6337	7/21/22	VOID	01-00-1014	
6338	7/21/22	NTS PUMPS, MOTORS & CONTROLS	01-00-1014	3,530.50
6339	7/21/22	POLYDYNE, INC.	01-00-1014	2,970.00
6340	7/21/22	PURIFY	01-00-1014	3,074.40
6341	7/21/22	TX A & M ENGINEERING EXTENSION SE	01-00-1014	440.00
6342	7/21/22	TELEDYNE INSTRUMENTS, INC.	01-00-1014	803.41
6343	7/21/22	TREY CANTU	01-00-1014	427.00
6344	7/21/22	TEXAS MUNICIPAL LEAGUE	01-00-1014	11,839.00
6345	7/21/22	WM CORPORATE SERVICES, INC	01-00-1014	13,860.49
6346	7/21/22	WATER UTILITY SERVICES, INC.	01-00-1014	2,926.00
6347	7/21/22	WORLDWIDE POWER PRODUCTS	01-00-1014	259.08

Memorial Villages Water Authority
Check Register
For Checks Dated July 9, 2022 to July 22, 2022

Check #	Date	Payee	Cash Account	Amount	Invoice Date	Invoice/CM #	Description	Amnt Paid
ACH	7/16/22	COMCAST	01-00-1012	786.57	7/1/22	COMC3886-JULY 2022		786.57
ACH	7/18/22	COMCAST	01-00-1012	234.35	7/1/22	COMC 9607-JULY 2022		234.35
ACH	7/18/22	UNITED STATES TREASURY	01-00-1012	14,722.68	7/18/22	07/04-07/17/22		14,722.68
ACH	7/19/22	VERIZON WIRELESS	01-00-1012	856.05	6/25/22	9909669782		856.05
Transfer	7/21/22	MUTUAL OF AMERICA	01-00-1015	500.00	7/3/22	457P1 JULY 2022		500.00
6317	7/21/22	AVR INC	01-00-1014	246.00	6/30/22	039113		99.50
					6/30/22	039529		146.50
6318	7/21/22	BLUE IRON TECHNOLOGIES	01-00-1014	1,010.35	7/19/22	314341		1,010.35
6319	7/21/22	CAVALLO ENERGY TEXAS LLC	01-00-1014	39,069.99	7/11/22	06/08-07/08/2022		39,069.99
6320	7/21/22	CENTERPOINT ENERGY	01-00-1014	145.31	7/14/22	06/07-07/08/22		145.31
6321	7/21/22	CHLORINATOR MAINT. CO., INC.	01-00-1014	435.30	6/17/22	42595		435.30
6322	7/21/22	CITY OF HOUSTON	01-00-1014	247,794.90	7/15/22	JUNE 2022		247,794.90
6323	7/21/22	CITY OF HOUSTON HEALTH DEPT.	01-00-1014	264.00	6/27/22	90025866		264.00
6324	7/21/22	CORE & MAIN LP	01-00-1014	45,619.00	7/8/22	Q954300		39,763.00
					7/8/22	R153399		5,856.00
6325	7/21/22	COWBOY TRUCKING, INC.	01-00-1014	180.00	7/7/22	22-307759		180.00
6326	7/21/22	DEPART OF STATE HEALTH SERVICES	01-00-1014	231.59	7/5/22	07/05/22		231.59
6327	7/21/22	DXI INDUSTRIES, INC.	01-00-1014	300.00	6/30/22	DE05005901-22		300.00
6328	7/21/22	EASTEX ENVIRONMENTAL LABORATORY	01-00-1014	1,907.00	7/7/22	C22G255		1,907.00
6329	7/21/22	ELITE PUMPS & MECHANICAL	01-00-1014	13,289.00	6/29/22	10715		13,289.00
6330	7/21/22	EVA L. MIRELES	01-00-1014	234.00	7/18/22	07/04-07/08/22		234.00
6331	7/21/22	WEX BANK	01-00-1014	2,764.14	7/6/22	82246982		2,764.14
6332	7/21/22	GRAINGER	01-00-1014	817.81	6/24/22	9356708751		652.41
					7/7/22	9369256756		165.40
6333	7/21/22	HACH COMPANY	01-00-1014	2,455.04	7/5/22	13126635		2,455.04
6334	7/21/22	HEALTHINVEST HRA	01-00-1014	71.13	7/12/22	07/12/2022		71.13
6335	7/21/22	JOHNSON CONTROLS SECURITY SYSTEM	01-00-1014	1,587.38	7/9/22	37625236		651.05
					7/9/22	37625228		936.33
6336	7/21/22	LANGFORD ENGINEERING	01-00-1014	16,007.31	7/12/22	07/12/2022		16,007.31
6338	7/21/22	NTS PUMPS, MOTORS & CONTROLS	01-00-1014	3,530.50	7/14/22	111493		3,530.50
6339	7/21/22	POLYDYNE, INC.	01-00-1014	2,970.00	6/22/22	1653878		2,970.00
6340	7/21/22	PURIFY	01-00-1014	3,074.40	6/21/22	141295736858		3,074.40
6341	7/21/22	TX A & M ENGINEERING EXTENSION SERVI	01-00-1014	440.00	6/24/22	BB7284570		440.00
6342	7/21/22	TELEDYNE INSTRUMENTS, INC.	01-00-1014	803.41	7/13/22	S020547914		803.41
6343	7/21/22	TREY CANTU	01-00-1014	427.00	6/30/22	1007264776		427.00
6344	7/21/22	TEXAS MUNICIPAL LEAGUE	01-00-1014	11,839.00	7/1/22	07/01-09/30/22		11,839.00
6345	7/21/22	WM CORPORATE SERVICES, INC	01-00-1014	13,860.49	7/1/22	4417159-0011-00		13,860.49
6346	7/21/22	WATER UTILITY SERVICES, INC.	01-00-1014	2,926.00	7/12/22	72532		2,926.00
6347	7/21/22	WORLDWIDE POWER PRODUCTS	01-00-1014	259.08	7/13/22	068818		259.08
				431,658.78				431,658.78
			Checks	$414,559.13				
			Wire Transfers	$ 17,099.65				
			Total	431,658.78				

Memorial Villages Water Authority
Check Register
For the Period From Jul 21, 2022 to Jul 21, 2022

Filter Criteria includes: 1) Check Numbers from 6317 to . Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
Total				415,059.13

WELLS FARGO **Basic Banking**

Transfer Funds Confirmation

Transfer Successful

Reference Number BB0FWJZBCRWW

From Account Business Checking 3542466382

To Account Active Business Checking 3542466374

Amount 414,559.13 USD

Description Online Transfer - Accounts Payable

Date/Time 07/21/2022 Immediately