

WHEREAS, the Board finds that the submitted estimates of bonds in the amounts of \$569,970,639 for water, sewage, and drainage purposes, and the submitted estimates of \$245,630,261 for the construction, maintenance, and operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, is reasonable and proper and hereby approves the same and all items thereof but reserves the right to authorize amendments to the Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's system;

WHEREAS, the Board is of the opinion that it would be of benefit to the District to authorize the use of taxes to develop and finance certain water, sewer, and drainage facilities and the issuance of bonds in an amount not to exceed \$569,970,639 for improvements and maintenance of such water, sewer, and drainage facilities, and authorize the use of taxes to develop and finance certain road facilities and the issuance of bonds in an amount not to exceed \$245,630,261 for improvements and maintenance of such road facilities;

WHEREAS, the Board may find it necessary to impose debt service ad valorem taxes sufficient to pay the principal of and interest on the Bonds;

WHEREAS, if the Board imposes debt service ad valorem taxes sufficient to pay the principal of and interest on the Bonds, the estimated debt service tax rate will be \$1.00;

WHEREAS, the Bonds may be issued to mature over a specified number of years not to exceed the maximum number of years authorized by law from the date of issuance;

WHEREAS, the Board is of the opinion that it would be of benefit to the District to be authorized to levy and collect annual ad valorem taxes at a rate not to exceed \$1.00 per \$100 of assessed valuation on all taxable property within the District to secure funds for operations and maintenance purposes;

WHEREAS, the Board of Directors is of the opinion that an election should be held within the District on November 7, 2023, for the purposes of: (i) confirming the creation and establishment of the District; (ii) electing four (4) permanent directors; (iii) submitting a proposition on the issuance of Bonds in the maximum aggregate original principal amount of \$569,970,639 to develop and finance water, sewer and drainage facilities, and the issuance on Refunding Bonds in the maximum aggregate original principal amount of \$854,955,958.50 to refund any bonds for other indebtedness issued by the District to develop and finance water, sewer and drainage facilities; (iv) submitting a proposition on the issuance of Bonds in the maximum aggregate original principal amount of \$245,630,261 to develop roads, and the issuance on Refunding Bonds in the maximum aggregate original principal amount of \$368,445,391.50 to refund any bonds for other indebtedness issued by the District to develop roads; and (v) submitting a proposition on the levying and collecting of an annual ad valorem tax for maintenance and operations purposes not to exceed \$1.00 per \$100 valuation of taxable property.

WHEREAS, the Board of Directors wishes to proceed with the ordering of said election.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 THAT:

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

Section 2: The Engineering Report and estimate of costs hereinabove mentioned are hereby approved.

Section 3: The Board of the District hereby calls the Confirmation and Directors Election, Bond Elections, Road Bond Election, and Maintenance Tax Election (the "Election") to confirm the creation of the District, elect permanent directors, approve bonds, approve road bonds, and authorize a maintenance tax. The Election shall be held between the hours of 7:00 a.m. and 7:00 p.m. on the 7th day of November, 2023.

Section 4: The District will enter the Contract with the County which provides that the County will conduct the Election on behalf of the District.

Section 5: Subject to the provisions of Chapter 31, Subchapter D of the Election Code, the District agrees to allow the County to administer the Bond Election to be held for the District on November 7, 2023, between the hours of 7:00 a.m. and 7:00 p.m., at a place to be determined by the County. Pursuant to the Contract, the District has directed that the place for the Election be a suitable public building and a proper place for conducting said election.

Section 6: At the November 7, 2023, Election the following proposition shall be submitted to the resident electors of the District:

PROPOSITION A

SHALL THE CREATION OF ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 BE CONFIRMED?

PROPOSITION B

SHALL THE BOARD OF DIRECTORS OF ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$569,970,639 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, AS DEFINED BY CHAPTER 1204, TEXAS GOVERNMENT CODE, AS AMENDED, ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH SUCH ISSUE OR SERIES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, LEASING, OR OPERATING A WATERWORKS SYSTEM, A SURFACE WATER SYSTEM, A SANITARY SEWER SYSTEM, AND A DRAINAGE AND STORM SEWER SYSTEM FOR SAID DISTRICT AND ADDITIONS, EXTENSIONS, AND IMPROVEMENTS THERETO AND PURCHASING OR OTHERWISE ACQUIRING ANY AND ALL PROPERTY, CONTRACT RIGHTS, RIGHTS OF USE, AND INTERESTS IN PROPERTY NECESSARY, APPROPRIATE, OR INCIDENT TO THE PURCHASE, CONSTRUCTION, ACQUISITION, OWNERSHIP, LEASING, OR OPERATION OF SUCH WATERWORKS SYSTEM, SURFACE WATER SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER SYSTEM, AND ADDITIONS, EXTENSIONS, AND IMPROVEMENTS THERETO, AND FOR THE ADDITIONAL PURPOSE OF PAYING ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO AND SUCH EXPENSES AS ARE INCIDENTAL TO THE ORGANIZATION, ADMINISTRATION, AND FINANCING OF THE DISTRICT WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS AND IN AN AMOUNT NOT IN EXCESS OF \$854,955,958.50 FOR THE PURPOSE OF REFUNDING ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT FOR ANY OF THE FORGOING PURPOSES, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND

COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) CHAPTERS 49, AND 54, TEXAS WATER CODE, TO THE EXTENT APPLICABLE, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

PROPOSITION C

SHALL THE BOARD OF DIRECTORS OF ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 BE AUTHORIZED TO ISSUE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$245,630,261 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, AS DEFINED BY CHAPTER 1204, TEXAS GOVERNMENT CODE, AS AMENDED, ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH SUCH ISSUE OR SERIES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, OR MAINTAINING PAVED ROADS AND TURNPIKES FOR SAID DISTRICT AND ADDITIONS, EXTENSIONS, AND IMPROVEMENTS THERETO AND PURCHASING OR OTHERWISE ACQUIRING ANY AND ALL PROPERTY, CONTRACT RIGHTS, RIGHTS OF USE, AND INTERESTS IN PROPERTY NECESSARY, APPROPRIATE, OR INCIDENT TO THE PURCHASE, CONSTRUCTION, ACQUISITION, OWNERSHIP, OPERATION, OR MAINTENANCE OF SUCH PAVED ROADS AND TURNPIKES AND ADDITIONS, EXTENSIONS, AND IMPROVEMENTS THERETO, AND FOR THE ADDITIONAL PURPOSE OF PAYING ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS AND IN AN AMOUNT NOT IN EXCESS OF \$368,445,391.50 FOR THE PURPOSE OF REFUNDING ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT FOR ANY OF THE FORGOING PURPOSES, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) ARTICLE III, SECTION 52(b)(3) OF THE TEXAS CONSTITUTION, AND CHAPTERS 49, AND 54, TEXAS WATER CODE, TO THE EXTENT APPLICABLE, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

PROPOSITION D

SHALL THE BOARD OF DIRECTORS ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 BE AUTHORIZED TO ASSESS, LEVY AND COLLECT AN ANNUAL OPERATION AND MAINTENANCE TAX NOT TO EXCEED ONE AND 00/100 DOLLARS (\$1.00) PER ONE HUNDRED DOLLARS (\$100) VALUATION OF TAXABLE PROPERTY WITHIN SAID DISTRICT IN AMOUNTS SUFFICIENT TO SECURE FUNDS FOR OPERATION AND MAINTENANCE PURPOSES, INCLUDING BUT NOT LIMITED TO FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING AND OPERATING ALL NECESSARY LAND, PLANTS, WORKS, FACILITIES, IMPROVEMENTS, APPLIANCES AND EQUIPMENT OF SUCH DISTRICT AND FOR PAYING COSTS OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ORGANIZATION AND ADMINISTRATIVE EXPENSES, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 49.107 OF THE TEXAS WATER CODE, TOGETHER

WITH ALL AMENDMENTS AND ADDITIONS THERETO?

Section 7: Voting in said Bond Election shall be by the use of an electronic voting system or paper ballots, administered by the County, pursuant to the Contract and Texas Election Code, Chapter 123. Ballots shall be provided in English and Spanish. The ballots used in the election shall have printed hereon the following:

OFFICIAL BALLOT

ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

CONFIRMATION AND DIRECTORS' ELECTION, BOND ELECTION, ROAD BOND ELECTION,
AND MAINTENANCE TAX ELECTION

NOVEMBER 7, 2023

Place an "X" in the square beside the statement indicating the way you wish to vote.

ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 PROPOSITION A

FOR

CONFIRMATION OF ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO.
2

AGAINST

ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 PROPOSITION B

FOR

THE ISSUANCE OF \$569,970,639 IN BONDS AND \$854,955,958.50 IN REFUNDING
BONDS AND THE LEVY OF AD VALOREM TAXES SUFFICIENT TO PAY THE
PRINCIPAL OF AND INTEREST ON THE BONDS (WATER, SANITARY SEWER,
DRAINAGE, AND STORM SEWER, ORGANIZATION, AND ADMINISTRATION)

AGAINST

ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 PROPOSITION C

FOR

THE ISSUANCE OF \$245,630,261 IN ROAD BONDS AND \$368,445,391.50 IN
REFUNDING BONDS AND THE LEVY OF AD VALOREM TAXES SUFFICIENT TO
PAY THE PRINCIPAL OF AND INTEREST ON THE ROAD BONDS (PAVED
ROADS AND TURNPIKES)

AGAINST

ATASCOSA COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 PROPOSITION D

FOR

THE LEVY OF AN OPERATION AND MAINTENANCE TAX NOT TO EXCEED ONE AND 00/100 DOLLARS (\$1.00) PER ONE HUNDRED DOLLARS (\$100) VALUATION OF TAXABLE PROPERTY

AGAINST

DIRECTORS

Vote for any four (4) persons for director by placing an “X” in the square beside the person’s name or by writing the name or names of a person or persons in the blank space provided.

- G. BAILEY WOODS, JR.
- FOARD HOUSTON
- SLOAN THOMAS
- ANDREW B. PRICE
- _____
- _____
- _____
- _____
- _____

The voter may vote for any four (4) persons for director by placing an “X” in the square beside the person’s name or by writing the name or names of a person or persons in the blank space provided.

Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the presiding judge or absentee voting clerk.

Section 8: The boundaries of the District are hereby established as and shall constitute one election precinct. The Elections Administrator of the County (the “Administrator”) shall appoint the presiding judge and clerks for the election pursuant to the Contract. The Administrator may appoint, as he or she deems necessary, clerks to assist in the conduct of the election. If the regularly appointed presiding judge is unable to serve at the election, the alternate presiding judge shall serve as the presiding judge for the election. If the election is conducted by the regularly appointed presiding judge, he or she may appoint the alternate presiding judge as one of the clerks to serve at the election.

The early voting ballot board shall be appointed by the Administrator in accordance with the Contract.

Early voting in the election by personal appearance shall occur as provided by the County pursuant to the Contract. The clerk for early voting shall be the Administrator, and the place at which such early voting shall be conducted is to be determined by the County pursuant to the Contract. The early voting clerk’s address at which the early voting clerk may receive applications for ballot by mail is:

- (a) by USPS:
Attn: Janice Ruple – Elections Administrator
914 Main Street
Suite 115
Jourdanton, Texas 78026

- (b) by common or contract carrier or in person:

Attn: Janice Ruple – Elections Administrator
914 Main Street
Suite 115
Jourdanton, Texas 78026

An application for ballot by mail may be submitted to the early voting clerk via email or fax. The early voting clerk's email at which the early voting clerk may receive applications for ballot by mail is elections@co.atascosa.tx.us. The early voting clerk's fax number at which the early voting clerk may receive applications for ballot by mail is (830)769-1215. To be effective, an application for ballot by mail submitted by FAX or EMAIL must also be submitted by mail and be received by the early voting clerk not later than the fourth business day after the transmission by fax or email is received.

Section 9: The Election shall be held and conducted and returns made to this Board in accordance with the Texas Election Code as modified by Chapter 49, Texas Water Code.

Section 10: Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw") is hereby appointed as the agent for the Secretary of the Board of the District for the purpose of being custodian of the election records. The agent shall maintain election records in accordance with the Texas Election Code.

Section 11: All qualified resident electors of the District shall be entitled to vote in the Election.

Section 12: In accordance with Texas Election Code, Section 4.003, the President and the Secretary of the Board or the District's agent is hereby directed to cause notice of this Election to be posted within the District (at where notices of meetings are posted) at least twenty-one (21) days before the date of the Election, or the next business day after the twenty-first day if the twenty first day is a Saturday, Sunday, or official State holiday and at such other places as notice of the meetings of the Board of the District are required to be posted. Further, such officers are authorized to provide any other notice of the Election as authorized by law. In addition, the President and the Secretary of the Board or the District's agent is hereby directed to cause this Order to be posted (i) on election day and during early voting by personal appearance in a prominent location at each polling place; and (ii) in three (3) public places in the boundaries of the District at least twenty-one (21) days before the Election.

Section 13: The rate of pay for judges and clerks of the election shall be determined by the Administrator, in compliance with the Texas Election Code.

Section 14: As of the date hereof, the aggregate amount of the outstanding principal of the debt obligations of the District is \$0.00.

Section 15: As of the date hereof, the aggregate amount of the outstanding interest on debt obligations of the District is \$0.00.

Section 16: As of the date hereof, the ad valorem debt service tax rate for the District is \$0.00 per \$100 valuation of taxable property.

Section 17: The Engineering Report has been filed with the District, open to inspection by the public covering the works, improvements, maintenance, facilities, plants, equipment and appliances to be purchased, constructed or otherwise acquired by the District and the property, contract rights, rights of use and interests in property to be purchased or otherwise acquired, as well as the estimated cost of all the foregoing, together with maps, plats, profiles and data showing and explaining the Engineering Report, and the Engineering Report has been carefully considered by the Board and has been fully approved by the Board.

Section 18: The Board may find it necessary to impose debt service ad valorem taxes sufficient to pay the principal of and interest on the Bonds.

Section 19: If the Board imposes debt service ad valorem taxes sufficient to pay the principal of and interest on the Bonds, the estimated debt service tax rate will be \$1.00.

Section 20: The Bonds may be issued to mature over a specified number of years not to exceed the maximum number of years authorized by law from the date of issuance.

Section 21: The President, Secretary, and District's Attorney are authorized and directed to take any action necessary to carry out the provisions of this order. The District hereby approves the Contract with the County to assist with the election and authorizes execution of such Contract by any member of the Board.

[SIGNATURE PAGE FOLLOWS]

PASSED AND APPROVED, this 7th day of August, 2023.

ATTEST:

/s/ G. Bailey Woods
President, Board of Directors

/s/ Sloan Thomas
Secretary, Board of Directors