

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,
OF HARRIS COUNTY, TEXAS**

Minutes of Meeting of Board of Directors
September 11, 2025

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District"), convened in regular session, open to the public, on September 11, 2025, at 12:00 noon, at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Chris Mayeu, President
Gina Angulo, Vice President
Steve Mathias, Secretary
Rose Mary Bundscho, Assistant Secretary
Mark Carter, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Sherri Greenwood of Forvis Mazars, LLP ("Forvis"); Sergio Santacruz of Municipal Accounts & Consulting, L.P. ("MAC"); Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); Debbie Shelton of Masterson Advisors LLC ("Masterson"); Ryan Vaughan and Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Andrea Garza and Eric Johnson of IDS Engineering Group ("IDS"); and Cole Trolinger and Diamond Gallegos of Schwartz, Page & Harding, L.L.P. ("SPH").

PUBLIC COMMENT

There were no comments received from the public.

MINUTES OF MEETING

The Board considered approval of the minutes of its meeting held on August 14, 2025. After review, Director Angulo moved that the minutes of said meetings be approved, as written. Director Bundscho seconded said motion, which unanimously carried.

**ENGAGEMENT OF AUDITOR TO PREPARE THE DISTRICT'S AUDIT REPORT FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025**

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2025. In connection therewith, Ms. Greenwood presented to and reviewed with the Board an engagement letter prepared by Forvis relative to the preparation of the District's audit report for the fiscal year ending September 30, 2025, a copy of which is attached hereto as **Exhibit A**, and advised that the estimated fee for performing the District's audit and preparing the audit report is approximately \$21,100, plus an administrative fee of \$1,100 to cover items such as report production, postage, copies, delivery charges, and technology related costs. Following discussion,

Director Angulo moved to approve the engagement of Forvis to conduct the required audit for the District's fiscal year ending September 30, 2025, and to authorize the President to execute Forvis's engagement letter on behalf of the Board and the District. Director Bundscho seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

Mr. Santacruz presented to and reviewed with the Board a Bookkeeper's Report dated September 11, 2025, including checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Angulo, seconded by Director Bundscho and unanimously carried, that the Bookkeeper's Report be approved and the disbursements identified therein, be approved for payment.

Mr. Santacruz also presented to and reviewed with the Board a District Snapshot Report prepared by EVO, a division of MAC, a copy of which is attached hereto as **Exhibit C**. The board noted no action was necessary regarding same.

REPORT ON THE DISTRICT'S GENERATOR

The Board next considered the District's participation in the demand response portion of the Acclaim Energy/PowerSecure GenMax Program (the "GenMax Program"). Mr. Mayeu notified the Board that Mr. Elder from Acclaim will attend the next Board meeting.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy"), and the adoption of a Resolution in connection therewith. Mr. Trolinger presented to and reviewed with the Board a memorandum prepared by SPH summarizing the proposed changes to the Investment Policy, a copy of which is attached hereto as **Exhibit D**. He presented for the Board's adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"). After discussion on the matter, Director Angulo moved that the revised Investment Policy and Resolution attached hereto as **Exhibit D** be adopted to reflect the proposed changes as noted therein, and that the President and Secretary be authorized to execute same. Director Bundscho seconded said motion, which unanimously carried.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Trolinger advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto, together with a comparison of the list submitted and the list previously adopted by the Board, which are attached hereto as **Exhibit E**. Mr. Trolinger further noted that the broker list presented is a list of potential institutions with which the District may engage in investment transactions compiled with the input of the

District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, Director Angulo moved that: (i) the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District be approved, and (ii) the President and Secretary be authorized to execute said Resolution on behalf of the Board and the District. Director Bundscho seconded said motion, which unanimously carried. Mr. Trolinger noted that the list of qualified brokers can be revised throughout the year.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Keeswood noted that she did not have a report to review with the Board for this meeting. Ms. Keeswood advised the Board ASW has received the files from Ad Valorem Appraisals, Inc., is awaiting payment files to be uploaded, and is in the process of sorting through the files and plans to have the account balanced by the end of the month.

DELINQUENT TAX COLLECTIONS REPORT

In connection with the District's delinquent tax collections, Mr. Trolinger presented to and reviewed with the Board a written Delinquent Tax Report provided by Perdue, Brandon, Fielder, Collins, & Mott, L.L.P. ("Perdue"), dated September 11, 2025, a copy of which is attached hereto as **Exhibit F**. He noted that there were no items on the report requiring action by the Board at this time.

OPERATIONS REPORT

Mr. Vaughan presented to and reviewed with the Board a written Operations Report for the month of June 2025, a copy of which is attached hereto as **Exhibit G**. He reported that the District's water accountability for the applicable period was 93%. Mr. Vaughan next requested that MOC be authorized to write off two (2) accounts in the total amount of \$331.23 as uncollectable. After discussion, Director Angulo moved that MOC be authorized to write off two (2) accounts totaling \$331.23, as described in the Operations Report. Director Bundscho seconded the motion, which carried unanimously.

Mr. Vaughan then advised the Board he would bring proposals to install a gate in the new fence surrounding the Water Plant. He also notified the Board at the next meeting MOC would be requesting an amendment to the Services Agreement between the District and MOC for an initial price increase and additional language implementing a CPI provision for an annual price increase.

ENGINEER'S REPORT

The Board next considered the Engineer's Report. In connection therewith, Ms. Garza presented to and reviewed with the Board a written Engineer's Report dated September 11, 2025, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit H**. Ms. Garza then requested the Board's approval on Pay Application No.1 for the fence replacement, in the amount of \$291,572.10. She then presented a Utility Commitment Letter request from ROADE Properties, Ltd. for two office warehouses approximately a total of 500 gallons-per-day of wastewater capacity. Following the discussion, Director Angulo moved to (i) approve Pay Application No. 1, and (ii) approve the Utility Commitment Letter prepared by IDS. Director Bundscho seconded the motion, which unanimously carried.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2025 TAX RATE

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2025 maintenance tax rate. Ms. Shelton presented to and reviewed with the Board Masterson's recommendation regarding the proposed 2025 maintenance tax rate, a copy of which is attached hereto as **Exhibit I**. Ms. Shelton noted the District does not have any outstanding bonds or notes, and, therefore, no debt service tax is necessary. There next followed a discussion concerning the requirements for providing notice of the District's intention to adopt a 2025 tax rate. Mr. Trolinger advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Trolinger further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting. After further discussion on the matter, Director Angulo moved that: (i) the Board accept the Financial Advisor's recommendation of a proposed 2024 maintenance tax rate of \$0.13 per \$100 of assessed valuation, and (ii) the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt such 2025 tax rate at its next meeting, in the form and at the time required by law. Director Bundscho seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the Tax Assessor-Collector in The Houston Chronicle in the section directed to the zip code(s) in which the District is located.

OPERATING BUDGET

The Board considered the adoption of an operating budget for the District's fiscal year ending September 30, 2026. In connection therewith, Mr. Santacruz presented to and reviewed with the Board the proposed operating budget for the District's fiscal year ending September 30, 2026, a copy of which is attached to the Bookkeeper's Report in Exhibit B. It was then moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that the proposed operating budget for the fiscal year ending September 30, 2026 be approved, subject to revision, as discussed above.

DEVELOPER REPORT

The Board deferred discussion of the Developer Report, as no developer was present at the meeting.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Trolinger advised the Board that Phelps Dunbar, LLP may handle all matters regarding appraisals in connection with the surface water-line connection project.

CLOSED SESSION

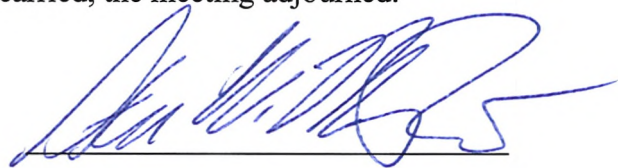
The Board determined that it was not necessary to enter into Closed Session.

FUTURE AGENDA ITEMS

The Board next considered items for placement on future agendas and scheduling of future meetings. Except as may be reflected above, there were no additional agenda items requested other than routine, and ongoing matters.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Angulo, seconded by Director Bundscho and unanimously carried, the meeting adjourned.



Secretary,
Board of Directors

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,
OF HARRIS COUNTY, TEXAS**

September 11, 2025

LIST OF ATTACHMENTS

- Exhibit A Forvis Audit Engagement Letter – FYE September 30, 2025
- Exhibit B Bookkeeper's Report
- Exhibit C EVO Report
- Exhibit D SPH Memorandum; Resolution Regarding Review of Investment Policy; Investment Policy
- Exhibit E Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions,
with lists of qualified brokers
- Exhibit F Delinquent Tax Report
- Exhibit G Operations Report
- Exhibit H Engineer's Report
- Exhibit I Financial Advisor's 2025 Tax Rate Recommendation

EXHIBIT "A"

September 11, 2025

Board of Directors
Harris County Municipal Utility District No. 36
Harris County, Texas

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

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

- Terms and Conditions Addendum

Summary Scope of Services

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

- Harris County Municipal Utility District No. 36
- Audit Services for the year ended September 30, 2025

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

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

We understand the Board of Directors (Board) is designated to be responsible and accountable for overseeing the performance of nonattest services, and you have determined the Board is qualified to conduct such oversight.

Engagement Fees

The fee for our services will be \$21,100, plus an administrative fee of \$1,100 to cover items such as report production, copies, postage and other delivery charges, supplies, technology-related costs such as software licensing, user access, and research tools, and similar expense items. In addition, fees for the review of a preliminary official statement, official statement, and the agreement to the reproduction of our audit opinion in the official statement for any new bond sales during the period will be in the range of \$2,500 to \$3,000.

The fees for our services in assisting with the accounting for capital asset construction activity and preparation of depreciation schedules will be invoiced on an hourly basis. We will communicate with you if anticipated fees exceed \$3,000.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt.

Assistance with New Standards

Assistance and additional time as a result of the adoption of new standards, if any, are not included within our standard engagement fees. These fees will be based on time expended and will vary based on the level of assistance and procedures required.

Contract Agreement

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

Forvis Mazars, LLP

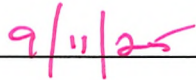
Forvis Mazars, LLP

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of **Harris County Municipal Utility District No. 36**.

BY


Board President

DATE


9/11/25

Scope of Services – Audit Services

We will audit the basic financial statements and related disclosures for the following entity with the objective of expressing an opinion on the financial statements:

Harris County Municipal Utility District No. 36 as of and for the year ended September 30, 2025.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

This audit will encompass all funds of Harris County Municipal Utility District No. 36.

We will also provide you with the following nonattest services:

- Preparing depreciation schedules based on your assignment of depreciable lives and methods
- Preparing a draft of the financial statements and related notes

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

We will issue a written report upon completion of our audit, addressed to the following parties:

Entity Name	Party Name
Harris County Municipal Utility District No. 36	Board of Directors

You have also requested and authorized us to submit the final audit report, as directed and approved by you, to the TCEQ. You acknowledge that the submission of any materials remains your responsibility and that we are providing this information to TCEQ as a convenience to you.

Municipal utility districts, by their nature, depend on services from consultants, attorneys, and others to carry out the administration of the district and require sharing of information among these service providers along with specific regulatory or other parties. You authorize us and our representatives to provide documents, reports, and information to the distribution list provided by the Board or the District's representatives, which may include attorneys, engineers, bookkeepers, developers, tax collectors, operators, agents, and other consultants, along with auditors of other districts that share operations or facilities with the district.

The following apply for the audit services described above:

**Our
Responsibilities**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and Forvis Mazars.

Opinion

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
 - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom we determine it necessary to obtain audit evidence
 - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
 - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
 - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials
 - Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
 - Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
 - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - Alignment of internal control to ensure that appropriate goals and objectives are met, that management and financial information is reliable and properly reported and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
 - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
 - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors
- **Accounting and Reporting** – for the:
 - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
 - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
 - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (or other basis if indicated in the contract)
 - Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us
 - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

**Written
Confirmations
Required**

As part of our audit process, we will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

**Preserving
Future
Independence**

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

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

**Registration
Statements**

We are required to read any document, including any exempt offering or refunding statement, which contains or incorporates by reference our audit reports, or contains any reference to us.

Should you wish to include or incorporate by reference our report on these financial statements into an offering document related to securities exempt from registration under the Securities Act of 1933, prior to our agreement to include or incorporate by reference our reports thereon, we will be required to perform procedures as required by the standards of the American Institute of Certified Public Accountants, including, but not limited to, reading other information incorporated by reference in the offering document, and performing subsequent event procedures.

Our reading of the other information included or incorporated by reference in the offering document will consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. However, we will not perform procedures to corroborate such other information (including forward-looking statements).

Notice Required

As indicated in the Terms and Conditions Addendum, any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information. However, no notice is required for filings with the Texas Commission on Environmental Quality (TCEQ), with required information repositories, the Texas Attorney General's Office, and cities, as required by statute or regulation.

Forvis Mazars, LLP Terms and Conditions Addendum

GENERAL

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

BILLING, PAYMENT, & TERMINATION

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

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

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

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

subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

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

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to this engagement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.
6. **Indemnification.** Unless disallowed by law or applicable professional standards, You agree to hold Forvis Mazars harmless from any and all claims which arise from knowing misrepresentations to Forvis Mazars, or the intentional withholding or concealment of information from Forvis Mazars by Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. To the extent allowed by law, but without any requirement that You establish or maintain a separate interest and sinking fund therefore, You also agree to indemnify Forvis Mazars for any claims made against Forvis Mazars by third parties, which arise from any wrongful actions of Your management or any partner, principal, shareholder, officer, director, member, employee, agent, or assign of Yours. The provisions of this paragraph shall apply regardless of the nature of the claim.
7. **Statute of Limitations.** [Deleted]
8. **Limitation of Liability.** You agree that Forvis Mazars' liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the gross negligence or intentional or willful misconduct of Forvis Mazars or if enforcement of this provision is disallowed by applicable law or professional standards.
9. **Waiver of Certain Damages.** Except with respect to claims of gross negligence or intentional or willful misconduct, or a breach of confidentiality, in no event shall Forvis Mazars be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but

not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.

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

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

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

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

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

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

17. **Subpoenas or Other Legal Process.** In the event Forvis Mazars is required to respond to any such subpoena, court order, or any government regulatory inquiry or other legal process relating to You or Your management for the production of documents and/or testimony relative to information We obtained or prepared incident to this or any other engagement in a matter in which Forvis Mazars is not a party, You shall compensate Forvis Mazars for all time We expend in connection with such response at normal and customary hourly rates and to reimburse Us for all out-of-pocket expenses incurred in regard to such response.

18. **Use of Deliverables and Drafts.** You agree You will not modify any deliverables or drafts prepared by Us for distribution to third parties. You also understand that We may on occasion send You documents marked as draft and understand that those are for Your review purpose only, should not be distributed in any way, and should be destroyed as soon as possible. Draft documents are subject to potentially material changes until such time as they are marked final, and We shall not be liable to You in Your use of such draft documents.

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

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

REGULATORY

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

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

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

As such, You should not place upon Us special confidence that in the performance of Our attest services We will act solely in Your interest. Therefore, You acknowledge and agree We are not in a fiduciary relationship with You and We have no fiduciary responsibilities to You in the performance of Our services described herein.

TECHNOLOGY

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

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

OTHER MATTERS

27. **Cooperation.** You agree to cooperate with Forvis Mazars in the performance of Forvis Mazars' services to You, including

the provision to Forvis Mazars of reasonable facilities and timely access to Your data, information, and personnel. You shall be responsible for the performance of Your employees and agents.

28. **Third-Party Service Providers.** Forvis Mazars may from time to time utilize third-party service providers, including but not limited to domestic software processors or legal counsel, or disclose confidential information about You to third-party service providers in serving Your account. Forvis Mazars maintains, however, internal policies, procedures, and safeguards to protect the confidentiality and security of Your information. In addition, Forvis Mazars will secure confidentiality agreements with all service providers to maintain the confidentiality of Your information. If We are unable to secure an appropriate confidentiality agreement, You will be asked to consent prior to Forvis Mazars sharing Your confidential information with the third-party service provider.
29. **Independent Contractor.** When providing services to You, We will be functioning as an independent contractor; and in no event will We or any of Our employees be an officer of You, nor will Our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to You. Decisions regarding management of Your business remain the responsibility of Your personnel at all times. Neither You nor Forvis Mazars shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
30. **Use of Forvis Mazars Name.** Any time You intend to reference Forvis Mazars' firm name in any manner in any published materials, other than in connection with Our audit report or other deliverables, You agree to provide Us with draft materials for review and approval before publishing or posting such information.
31. **Network.** Forvis Mazars is a Delaware limited liability partnership and an independent member of Forvis Mazars Global, Ltd., a leading global professional services network. Forvis Mazars Global, Ltd. is a United Kingdom company limited by guarantee and does not provide any services to clients.
32. **Entire Agreement.** The contract, including this Terms and Conditions Addendum and any other attachments or addenda, encompasses the entire agreement between You and Forvis Mazars and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this contract must be made in writing and signed by both You and Forvis Mazars.
33. **Force Majeure.** We shall not be held responsible for any failure to fulfill Our obligations if such failure was caused by circumstances beyond Our control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order, or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any

such epidemic or pandemic, lockdown orders, stay-at-home orders, and curfews.

34. **Representations.** (a) As required by Chapter 2271, Texas Government Code, We represent that We, including any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of Us, do not boycott Israel and will not boycott Israel through the term of this engagement. The term "boycott Israel" in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.

(b) Pursuant to Chapter 2252, Texas Government Code, We represent and certify that, at the time of execution of this contract, neither We, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

(c) To the extent the engagement to which this Terms and Conditions Addendum is attached has a value of \$100,000 or more, pursuant to 2276, as amended, We hereby verify that We, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of Us, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code.

(d) To the extent the engagement to which this Terms and Conditions Addendum is attached has a value of \$100,000 or more, pursuant to Section 2274.002, Texas Government Code, as amended, We hereby verify that We, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Us: (i) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. As used in the foregoing verifications, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, as amended.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

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

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2025-1362031

Date Filed:
09/11/2025

Date Acknowledged:
9/23/25

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

Forvis Mazars, LLP
Houston, TX United States

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

Harris County Municipal Utility District No. 36

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

091125
Audit of the financial statements for the year ended September 30, 2025

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

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is Sherri W. Greenwood, and my date of birth is 09/22/65.

My address is 2700 Post Oak Boulevard, Suite 1500, Houston Tx, 77056 USA.
(city) (state) (zip code) (country)

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

Executed in Harris County, State of Texas, on the 11th day of September, 2025.
(month) (year)

Sherri Greenwood

Signature of authorized agent of contracting business entity
(Declarant)

EXHIBIT "B"



MUNICIPAL ACCOUNTS
& CONSULTING, L.P.

Bookkeeper's Report | September 11, 2025

**Harris County Municipal Utility
District No. 36**



WEBSITE

www.municipalaccounts.com



ADDRESS

1281 Brittmoore Road
Houston, Texas 77043



CONTACT

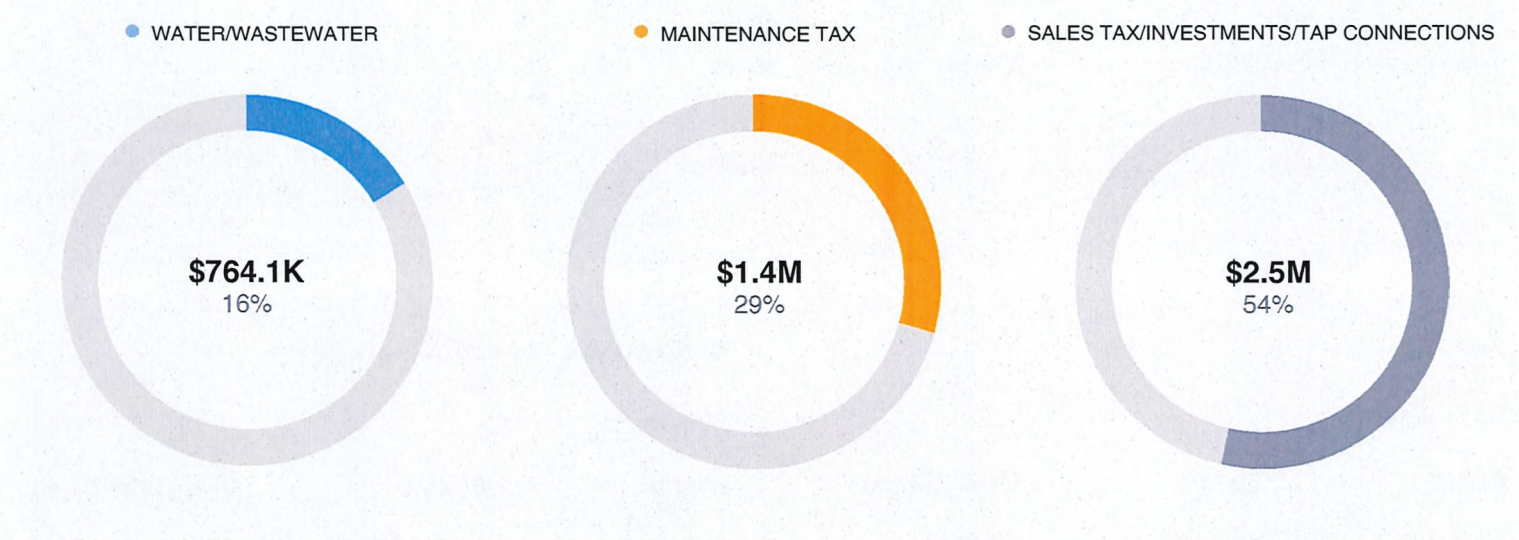
Phone: 713.623.4539
Fax: 713.629.6859

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Spotlight On Long Term Planning & Balancing Revenues

Most Districts have 2 major revenue streams that can fund District Operations. These are Water & Wastewater Revenues and M&O Property Tax Revenues. In addition, most Districts have multiple 'Other' Revenue streams that can contribute, but are usually not as significant, unless the 'Other' is extraordinary Sales Tax Revenue. For long term planning, ensuring your M&O Property Tax and Water & Wastewater revenues are covering at least 90% of your expenses is prudent. Investment revenues are unpredictable, Tap Connection revenue disappears as you are built out and Sales Tax can ebb and flow based on the economy. Fixed expenses need fixed revenues. Balancing these revenues to ensure you are covering all expenses as well as building proper reserves should be an ongoing exercise for your District.

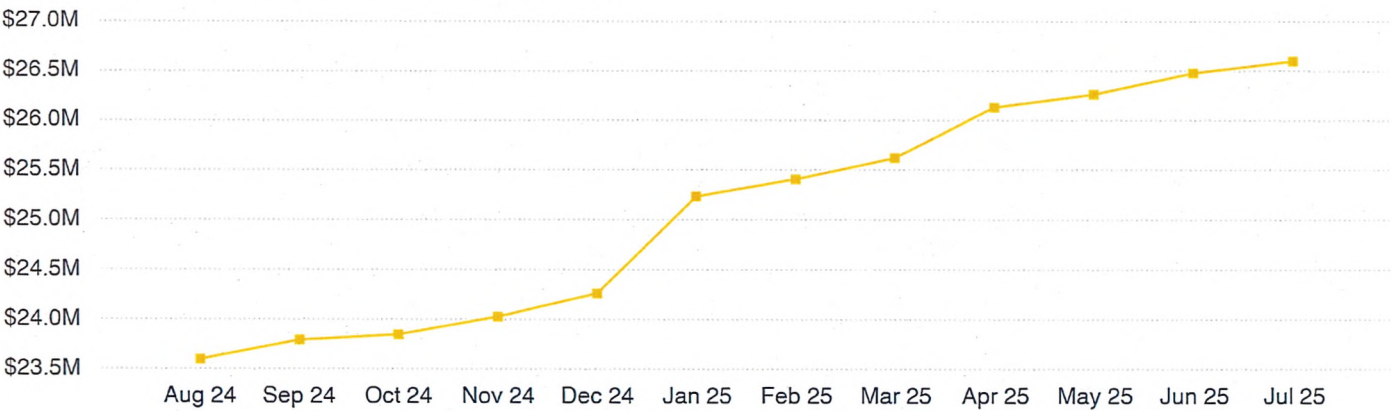


Account Balance | As of 09/11/2025

General Operating
\$26,361,185

Total For All Accounts: \$26,361,185

Account Balance By Month | August 2024 - July 2025



Monthly Financial Summary - General Operating Fund

Harris County MUD No. 36 - GOF



Account Balance Summary

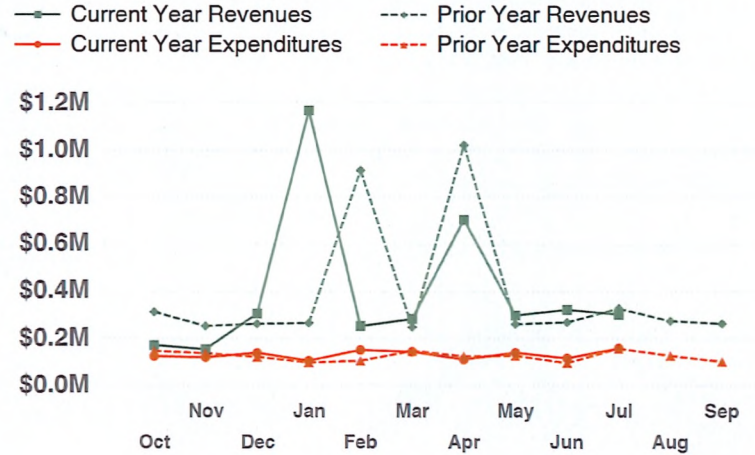
Balance as of 08/15/2025 **\$26,597,243**

Receipts 628,337

Disbursements (864,395)

Balance as of 09/11/2025 **\$26,361,185**

Overall Revenues & Expenditures By Month (Year to Date)



July 2025

Revenues

Actual	Budget	Over/(Under)
\$304,246	\$311,675	(\$7,429)

Expenditures

Actual	Budget	Over/(Under)
\$160,198	\$146,468	\$13,730

October 2024 - July 2025 (Year to Date)

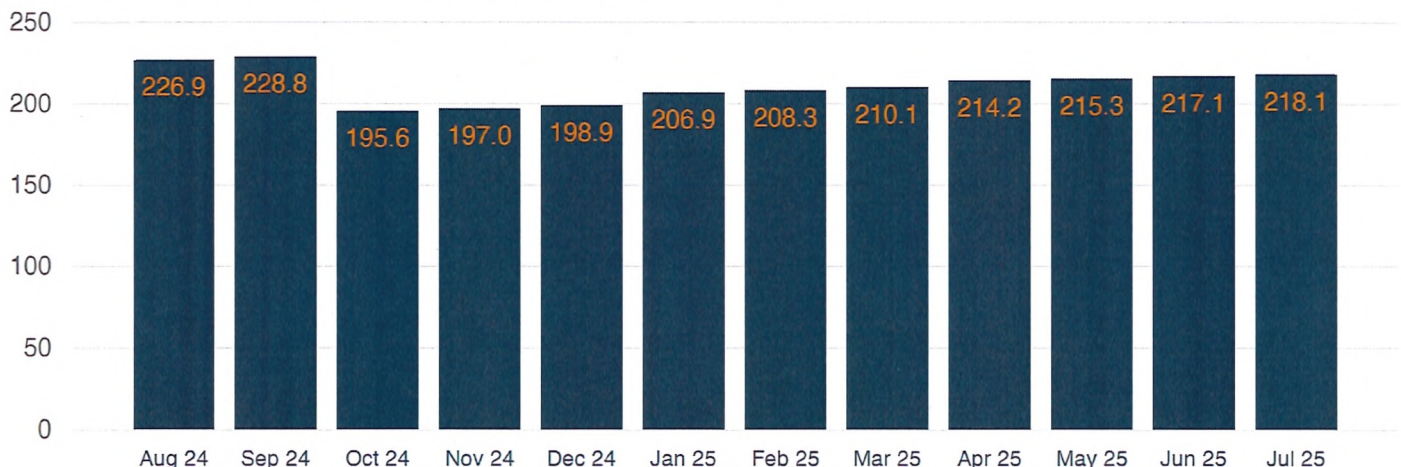
Revenues

Actual	Budget	Over/(Under)
\$3,974,025	\$4,278,818	(\$304,793)

Expenditures

Actual	Budget	Over/(Under)
\$1,324,978	\$1,320,964	\$4,014

Operating Fund Reserve Coverage Ratio (In Months)



Cash Flow Report - Checking Account

Harris County MUD No. 36 - GOF



Number	Name	Memo	Amount	Balance
Balance as of 08/15/2025				\$45,012.57
Receipts				
	Transfer from Lockbox Account		97,834.89	
	Interest Earned on Checking		5.48	
	Transfer from Money Market		340,000.00	
Total Receipts				\$437,840.37
Disbursements				
7215	Gina Angulo	VOID: Fees of Office - 08/14/2025	0.00	
7235	AT&T	Telephone Expense	(221.73)	
7236	City of Houston Utility Customer Service	GRP Participation	(34,680.36)	
7237	GFL Environmental	Garbage Expense - WWTP	(336.53)	
7238	Chris Mayeu	Fees of Office - 09/11/2025	(204.10)	
7239	Gina Angulo	Fees of Office - 09/11/2025	(204.10)	
7240	Mark Carter	Fees of Office - 09/11/2025	(204.10)	
7241	Rosemary Bundscho	Fees of Office - 09/11/2025	(204.09)	
7242	Steven Mathias	Fees of Office - 09/11/2025	(204.10)	
7243	Bianca Salmon	Customer Refund	(57.32)	
7244	Raney Pi Equity	Customer Refund	(135.06)	
7245	Aber Fence Supply & Company	Pay App No.1 - WP No.1 Fence	(291,572.10)	
7246	Backflow Services	Backflow Testing	(290.00)	
7247	Chlorinator Maint. Co., Inc.	Maintenance & Repairs	(2,077.50)	
7248	Eastex Environmental Laboratory	Laboratory Expense	(2,031.00)	
7249	GFL Environmental	Garbage Expense - Residential	(4,613.90)	
7250	IDS Engineering Group, Inc	Engineering Expense	(27,102.44)	
7251	K-3 Resources LP	Sludge Expense	(4,875.00)	
7252	Lone Star Environmental Companies	Maintenance & Repairs	(1,345.76)	
7253	Municipal Accounts & Consulting, LP	Bookkeeping Expense	(5,866.04)	
7254	Municipal Operations and Consulting, Inc.	Maintenance & Operations	(20,485.02)	
7255	PowerSecure, Inc.	IDG System Maintenance	(595.00)	
7256	PVS DX INC.	Chemical Expense	(1,226.00)	
7257	R & C Joy Inc.	Laboratory Expense	(198.00)	
7258	Reliant.	Utility Expense	(7,064.88)	
7259	Schwartz, Page & Harding, LLP	Legal Expense	(8,237.96)	
7260	Seaback Maintenance Inc.	Mowing Expense	(2,745.00)	
7261	STP Services	Maintenance & Repairs	(7,950.00)	
7262	Water Utility Services, Inc.	Chemical Expense	(1,397.00)	
7263	AT&T	Telephone Expense	0.00	
7264	City of Houston Utility Customer Service	GRP Participation	0.00	
7265	GFL Environmental	Garbage Expense - WWTP	0.00	

Cash Flow Report - Checking Account

Harris County MUD No. 36 - GOF



Number	Name	Memo	Amount	Balance
Disbursements				
Bank Chg	Central Bank	Bank Service Charge	(5.00)	
Total Disbursements				(\$426,129.09)
Balance as of 09/11/2025				\$56,723.85

Cash Flow Report - Operator Account

Harris County MUD No. 36 - GOF



Number	Name	Memo	Amount	Balance
Balance as of 08/15/2025				\$68,958.76
Receipts				
	Accounts Receivable		52,333.58	
	Accounts Receivable		21,211.68	
	Accounts Receivable		71.82	
Total Receipts				\$73,617.08
Disbursements				
Bank Chg	Central Bank	Bank Service Charge	(5.00)	
Rtn Checks	Central Bank	Returned Checks (4)	(425.72)	
Sweep	Harris County MUD No. 36-Operating	Transfer to Checking Account	(97,834.89)	
Total Disbursements				(\$98,265.61)
Balance as of 09/11/2025				\$44,310.23

Actual vs. Budget Comparison

Harris County MUD No. 36 - GOF



July 2025			October 2024 - July 2025			
Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
26,675	37,891	(11,216)	245,086	246,293	(1,207)	315,760
20,399	23,921	(3,522)	184,034	214,190	(30,156)	237,600
120	93	27	1,080	933	147	1,120
47,194	61,905	(14,711)	430,200	461,416	(31,216)	554,480
20,508	19,914	594	201,818	199,137	2,682	238,964
975	1,024	(49)	9,750	10,238	(488)	12,285
1,856	3,075	(1,220)	22,623	30,754	(8,131)	36,905
23,339	24,013	(674)	234,191	240,128	(5,937)	288,154
0	0	0	1,271,000	1,483,524	(212,524)	1,483,524
0	0	0	1,271,000	1,483,524	(212,524)	1,483,524
131,610	124,279	7,331	1,046,563	1,078,974	(32,412)	1,304,443
131,610	124,279	7,331	1,046,563	1,078,974	(32,412)	1,304,443
0	13	(13)	0	128	(128)	154
0	13	(13)	0	128	(128)	154
1,001	1,331	(330)	10,564	13,309	(2,745)	15,971
1,001	1,331	(330)	10,564	13,309	(2,745)	15,971
1	2	(1)	191	23	169	27
101,101	100,132	969	981,316	1,001,315	(19,999)	1,201,578
101,101	100,134	968	981,507	1,001,338	(19,830)	1,201,605
304,246	311,675	(7,429)	3,974,025	4,278,818	(304,793)	4,848,331

Expenditures

Water Service

16101 Billing Service Fees - Water	2,438	2,551	(112)	24,281	25,507	(1,226)	30,608
16105 Maintenance & Repairs - Water	16,943	11,565	5,379	144,686	115,647	29,040	138,776
16107 Chemicals - Water	1,881	1,388	492	14,187	13,883	303	16,660
16108 Laboratory Expense - Water	652	846	(194)	6,323	8,461	(2,138)	10,153
16109 Mowing - Water	620	619	1	6,148	6,187	(39)	7,424

Actual vs. Budget Comparison

Harris County MUD No. 36 - GOF



July 2025				October 2024 - July 2025			
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Expenditures							
Water Service							
16110 Utilities - Water	3,000	3,788	(789)	30,298	37,883	(7,585)	45,459
16111 Reconnections	60	35	25	560	350	210	420
16112 Disconnect Expense	180	53	127	2,264	531	1,733	637
16113 Service Account Collection	0	398	(398)	0	3,975	(3,975)	4,770
16114 Telephone Expense - Water	174	184	(10)	2,164	1,838	327	2,205
16115 Meter Replacement	0	75	(75)	0	750	(750)	900
16116 Permit Expense - Water	0	105	(105)	1,196	1,047	149	1,256
16118 Surface Water Fee	34,680	44,677	(9,997)	288,542	290,399	(1,857)	372,307
Total Water Service	60,628	66,283	(5,655)	520,649	506,456	14,193	631,575
Wastewater Service							
16201 Billing Service Fees-Wastewater	2,438	2,551	(112)	24,358	25,507	(1,148)	30,608
16203 Grease Trap Inspections	660	693	(33)	6,727	6,930	(203)	8,316
16205 Maint & Repairs - Wastewater	16,937	7,565	9,372	87,602	75,653	11,949	90,784
16207 Chemicals - Wastewater	564	724	(160)	6,771	7,242	(471)	8,690
16208 Laboratory Fees - Wastewater	2,229	2,497	(268)	22,581	24,969	(2,389)	29,963
16209 Mowing - Wastewater	640	617	23	6,961	6,169	791	7,403
16210 Utilities - Wastewater	3,787	4,786	(999)	38,877	47,859	(8,982)	57,431
16211 Utilities - Lift Station	382	454	(72)	3,730	4,538	(807)	5,445
16212 Sludge Removal	4,875	3,197	1,678	25,656	31,969	(6,313)	38,363
16214 Telephone Expense - Wastewater	129	149	(20)	1,032	1,488	(456)	1,785
16216 Permit Expense - Wastewater	0	203	(203)	2,316	2,027	289	2,432
Total Wastewater Service	32,642	23,435	9,207	226,610	234,350	(7,740)	281,220
Garbage Service							
16301 Garbage Expense	4,922	4,936	(14)	48,920	49,357	(436)	59,228
Total Garbage Service	4,922	4,936	(14)	48,920	49,357	(436)	59,228
Storm Water Quality							
16401 WQ Feature Mowing	25	26	(1)	250	263	(13)	315
16402 Detention Pond Mowing	1,460	1,533	(73)	14,600	15,330	(730)	18,396
Total Storm Water Quality	1,485	1,559	(74)	14,850	15,593	(743)	18,711
Tap Connection							
16502 Inspection Expense	0	0	0	0	0	0	22,653
Total Tap Connection	0	0	0	0	0	0	22,653
Administrative Service							
16701 Administrative Fees	715	664	51	7,367	6,642	725	7,970
16703 Legal Fees	13,807	4,583	9,224	50,330	45,833	4,497	55,000
16705 Auditing Fees	0	0	0	23,500	20,000	3,500	22,050

Actual vs. Budget Comparison

Harris County MUD No. 36 - GOF



July 2025			October 2024 - July 2025			
Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
5,454	5,000	454	42,205	50,000	(7,795)	60,000
0	63	(63)	1,020	625	395	750
0	0	0	29,121	25,900	3,221	25,900
3,554	3,856	(302)	42,685	45,172	(2,487)	55,090
399	475	(76)	2,552	4,748	(2,195)	5,697
79	116	(37)	236	1,164	(928)	1,397
55	181	(126)	774	1,809	(1,035)	2,171
218	239	(20)	2,140	2,388	(248)	2,866
186	110	77	1,585	1,099	486	1,319
1,000	377	623	4,127	3,769	358	4,523
10	33	(23)	222	330	(108)	396
18	11	7	148	105	43	126
237	0	237	237	0	237	0
25,733	15,707	10,026	208,250	209,584	(1,335)	245,255
1,989	851	1,138	9,724	8,508	1,216	10,210
152	65	87	744	651	93	781
2,141	916	1,225	10,468	9,159	1,309	10,991
595	1,538	(943)	13,695	15,383	(1,688)	18,460
595	1,538	(943)	13,695	15,383	(1,688)	18,460
0	42	(42)	870	417	453	500
0	42	(42)	870	417	453	500
128,145	114,416	13,730	1,044,312	1,040,298	4,014	1,288,593
176,100	197,259	(21,159)	2,929,713	3,238,519	(308,806)	3,559,738
0	0	0	0	0	0	2,055,262
0	0	0	0	0	0	10,000
0	0	0	0	0	0	2,065,262
0	0	0	0	0	0	2,065,262

Actual vs. Budget Comparison

Harris County MUD No. 36 - GOF



	July 2025			October 2024 - July 2025			
	Actual	Budget	Over/ (Under)	Actual	Budget	Over/ (Under)	Annual Budget
Other Expenditures							
Capital Outlay							
17901 Capital Outlay	10,565	10,565	0	49,899	49,899	0	50,000
17902 Drainage Facility Rehab	0	0	0	0	0	0	100,000
17904 Capital Outlay - WL Rehab	14,646	14,646	0	189,287	189,287	0	5,000,000
17922 Capital Outlay - WP Fence	6,841	6,841	0	41,480	41,479	0	300,000
Total Capital Outlay	32,053	32,053	0	280,666	280,666	0	5,450,000
Extra Ordinary Expense							
18106 Liberty Property Reimbursement	0	0	0	0	0	0	175,000
Total Extra Ordinary Expense	0	0	0	0	0	0	175,000
Total Other Expenditures	32,053	32,053	0	280,666	280,666	0	5,625,000
Total Other Revenues (Expenditures)	(32,053)	(32,053)	0	(280,666)	(280,666)	0	(3,559,738)
Excess Revenues (Expenditures)	144,048	165,206	(21,159)	2,649,047	2,957,853	(308,806)	0

Balance Sheet as of 07/31/2025

Harris County MUD No. 36 - GOF



Assets	
Bank	
11101 Cash in Bank	\$79,524
11102 Operator	68,959
Total Bank	\$148,482
Investments	
11201 Time Deposits	\$26,447,166
Total Investments	\$26,447,166
Receivables	
11301 Accounts Receivable	\$154,164
11303 Maintenance Tax Receivable	46,453
11305 Accrued Interest	56,233
Total Receivables	\$256,850
Interfund Receivables	
11403 Due From Tax Account	\$115,039
Total Interfund Receivables	\$115,039
Total Assets	\$26,967,538
Liabilities & Equity	
Liabilities	
Accounts Payable	
12101 Accounts Payable	\$169,783
12102 Payroll Liabilities	304
Total Accounts Payable	\$170,087
Other Current Liabilities	
12202 State Assessment Fees	\$1,531
Total Other Current Liabilities	\$1,531
Deferrals	
12502 Deferred Inflows-Property Taxes	\$46,453
Total Deferrals	\$46,453
Deposits	
12601 Customer Meter Deposits	\$111,768
Total Deposits	\$111,768
Total Liabilities	\$329,838
Equity	
Unassigned Fund Balance	
13101 Unassigned Fund Balance	\$23,988,653
Total Unassigned Fund Balance	\$23,988,653
Net Income	\$2,649,047
Total Equity	\$26,637,700

Balance Sheet as of 07/31/2025

Harris County MUD No. 36 - GOF



Total Liabilities & Equity

\$26,967,538

Investment Profile as of 09/11/2025

Harris County MUD No. 36



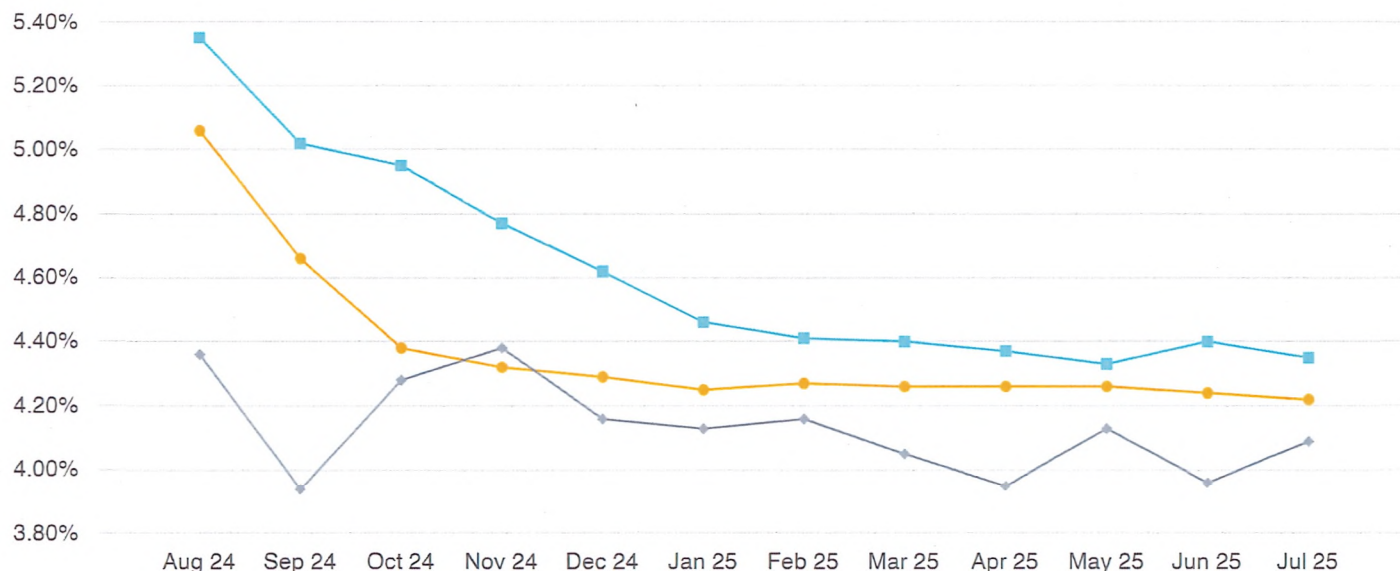
General Operating Fund	Capital Projects Fund	Debt Service Fund	Other Funds
Funds Available to Invest \$26,361,185	Funds Available to Invest N/A	Funds Available to Invest N/A	Funds Available to Invest N/A
Funds Invested \$26,260,151	Funds Invested N/A	Funds Invested N/A	Funds Invested N/A
Percent Invested 99%	Percent Invested N/A	Percent Invested N/A	Percent Invested N/A

Term	Money Market	Term	Certificate of Deposit	Term	U.S. Treasuries
On Demand	4.35%	180 Days	4.23%	180 Days	3.98%
		270 Days	4.15%	270 Days	3.98%
		1 Yr	4.13%	1 Yr	3.80%
		13 Mo	2.46%	13 Mo	N/A
		18 Mo	3.45%	18 Mo	3.80%
		2 Yr	2.46%	2 Yr	3.65%

*Rates are based on the most current quoted rates and are subject to change daily.

Investment Rates Over Time (By Month) | August 2024 - July 2025

— MONEY MARKET — CD-1 YEAR — U.S. TREASURIES-1 Year



Account Balance as of 09/11/2025

Harris County MUD No. 36 - Investment Detail



FUND: General Operating

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
Certificates of Deposit					
THIRD COAST BANK, SSB (XXXX2916)	10/09/2024	10/03/2025	4.75%	235,000.00	
SOUTHSTATE BANK (XXXX5221)	06/02/2025	11/27/2025	4.00%	240,000.00	
SOUTH STAR BANK (XXXX0489)	08/20/2025	02/16/2026	4.18%	235,000.00	
VERITEX COMMUNITY BANK (XXXX4871)	06/30/2025	03/27/2026	4.05%	240,000.00	
PLAINS STATE BANK (XXXX5043)	04/20/2025	04/20/2026	4.00%	235,000.00	
SUSSER BANK (XXXX6395)	04/21/2025	04/21/2026	4.00%	235,000.00	
CADENCE BANK (XXXX2714)	05/21/2025	05/22/2026	4.50%	240,000.00	
WALLIS BANK (XXXX0128)	06/06/2025	06/06/2026	4.15%	240,000.00	
BANK OF HOUSTON (XXXX8130)	06/23/2025	06/23/2026	4.18%	235,000.00	
TEXAS TRADITIONS BANK (XXXX2662)	07/14/2025	07/14/2026	4.10%	235,000.00	
FRONTIER BANK (XXXX3448)	08/18/2025	08/18/2026	4.25%	235,000.00	
Money Market Funds					
TEXAS CLASS (XXXX0001)	10/12/2007		4.38%	23,655,151.26	
Checking Account(s)					
CENTRAL BANK - CHECKING (XXXX1824)			0.00%	56,723.85	Checking Account
CENTRAL BANK - CHECKING (XXXX4268)			0.00%	44,310.23	Operator
Totals for General Operating Fund				\$26,361,185.34	
Grand Total for Harris County MUD No. 36 :				\$26,361,185.34	

Harris County MUD No. 36 - GOF
Emergency Response Generator Report

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
15904 · Emergency Response Generator				
04/12/2019	Recpt	Acclaim Energy, LTD.	Generator Revenue - Acclaim Energy	6,722.34
07/10/2020	Recpt	Acclaim Energy, LTD.	Generator Revenue - Acclaim Energy	16,141.63
Total 15904 · Emergency Response Generator				22,863.97
TOTAL				22,863.97

Harris County MUD No. 36 - GOF
Emergency Response Settlement Payment Report

Date	Num	Name	Memo	Amount
15905 · Power Secure Settlement				
08/31/2020	Recpt	PowerSecure, Inc.	Settlement - Power Secure	14,791.32
11/09/2020	Recpt	Acclaim Energy, LTD.	Power Secure Settlement - Acclaim	12,017.00
08/04/2023	Recpt	Acclaim Energy, LTD.	Power Secure Settlement - Acclaim	26,774.50
Total 15905 · Power Secure Settlement				53,582.82
TOTAL				53,582.82

Cash Flow Forecast

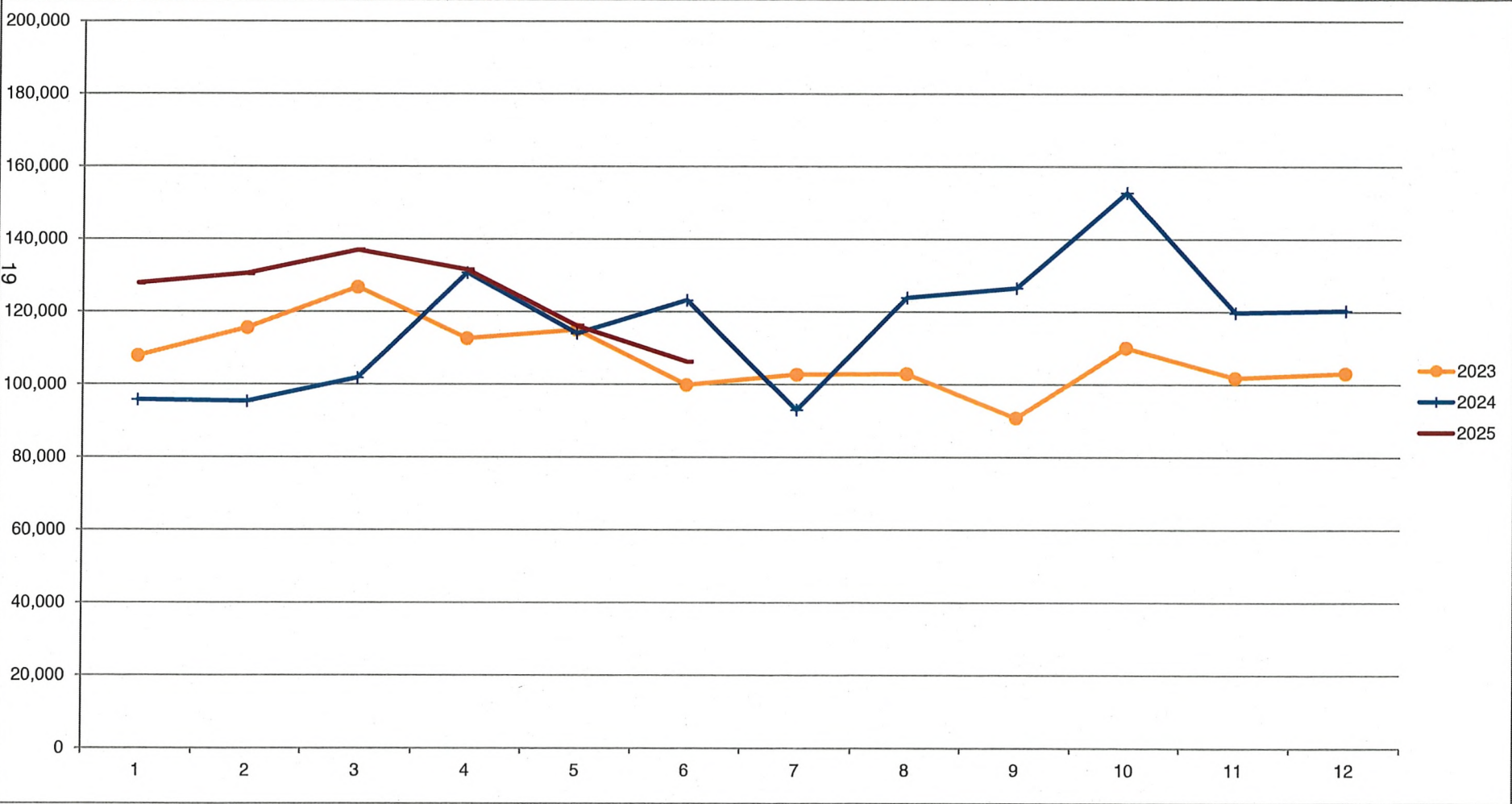
Harris County MUD No.36

	9/25	9/26	9/27	9/28	9/29
Assessed Value	\$1,035,960,544	\$1,035,960,544	\$1,035,960,544	\$1,035,960,544	\$1,035,960,544
Maintenance Tax Rate	\$0.130	\$0.130	\$0.130	\$0.130	\$0.130
Maintenance Tax	\$1,279,411	\$1,279,411	\$1,279,411	\$1,279,411	\$1,279,411
% Change in Water Rate		0.00%	0.00%	0.00%	0.00%
% Change in Wastewater Rate		0.00%	0.00%	0.00%	0.00%
% Change in City of Houston GRP		3.00%	3.00%	3.00%	3.00%
% Change in Expenses		5.00%	5.00%	5.00%	5.00%
Beginning Cash Balance 9/30/24	\$23,794,503	\$21,535,128	\$19,005,022	\$15,558,229	\$18,998,997
Revenues					
Maintenance Tax	\$1,483,524	\$1,279,411	\$1,279,411	\$1,279,411	\$1,279,411
Water Revenue	315,761	315,761	315,761	315,761	315,761
Wastewater Revenue	238,964	238,964	238,964	238,964	238,964
City of Houston GRP Revenue	237,600	244,728	252,070	259,632	267,421
Sales Tax Revenue	1,304,443	1,369,665	1,438,148	1,510,056	1,585,559
Other	1,278,041	1,341,943	1,409,040	1,479,492	1,553,467
Total Revenues	\$4,858,333	\$4,790,472	\$4,933,395	\$5,083,316	\$5,240,583
Expenses					
Surface Water Fee	\$372,307	\$383,476	\$394,980	\$406,830	\$419,035
Other Expenses	916,288	962,102	1,010,208	1,060,718	1,113,754
Total Expenses	\$1,288,595	\$1,345,579	\$1,405,188	\$1,467,548	\$1,532,789
Net Surplus	\$3,569,738	\$3,444,894	\$3,528,207	\$3,615,768	\$3,707,794
Capital Outlay					
Liberty Reimbursement	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Drainage Facility Rehab	100,000	0	0	0	0
Iron Removal System	0	800,000	0	0	0
Concrete Ground Storage Tank	0	0	1,800,000	0	0
Water Line Rehab	5,000,000	5,000,000	5,000,000	0	0
Water Plant Fence	300,000	0	0	0	0
Decremental M&O	204,113	0	0	0	0
Capital Outlay	50,000	0	0	0	0
Total Capital Outlay	\$5,829,113	\$5,975,000	\$6,975,000	\$175,000	\$175,000
Ending Cash Balance	\$21,535,128	\$19,005,022	\$15,558,229	\$18,998,997	\$22,531,791
Operating Reserve % of Exp					
Percentage	1671%	1412%	1107%	1295%	1470%
Number of Months	201	169	133	155	176
Bond Authority					
Remaining Bonding Capacity - \$10,730,000					
Maintenance Tax Rate Cap - \$0.25					

Sales Tax Revenue History

Harris County MUD No. 36

Year	January	February	March	April	May	June	July	August	September	October	November	December	Total
2023	107,906	115,568	126,766	112,671	115,033	99,908	102,744	102,998	90,795	110,087	101,836	103,114	\$1,289,425
2024	95,795	95,301	101,838	130,764	114,055	123,177	93,023	123,962	126,581	152,832	119,786	120,345	\$1,397,460
2025	127,856	130,551	137,001	131,610	116,105	106,310							\$749,433
Total	\$331,558	\$341,420	\$365,605	\$375,045	\$345,193	\$329,395	\$195,766	\$226,960	\$217,375	\$262,919	\$221,622	\$223,459	\$3,436,318



Proposed Budget

Harris County MUD No. 36 - Fiscal Year Ending 09/26

	Nine Month Actuals 10/24 - 06/25	Twelve Months Annualized FYE 09/25	Approved 2025 Budget	Proposed 2026 Budget
Revenues				
14101 · Water - Customer Service Fees	\$218,411	\$310,411	\$315,760	\$325,900
14102 · GRP Fee	163,635	229,635	237,600	241,100
14105 · Connection Fees	960	1,280	1,120	1,300
14201 · Wastewater-Customer Service Fee	181,310	241,747	238,964	253,800
14203 · Grease Trap	8,775	11,700	12,285	12,300
14207 · Sewer Surcharge	20,767	27,689	36,905	29,100
14301 · Maintenance Tax Collections	1,271,000	1,271,000	1,483,524	1,420,800
14401 · Sales Tax Income	914,952	1,255,875	1,304,443	1,318,700
14502 · Inspection Fees	0	0	154	0
14702 · Penalties & Interest	9,563	12,751	15,971	13,400
14801 · Interest Earned on Checking	190	229	27	200
14802 · Interest Earned on Temp. Invest	880,216	1,173,621	1,201,578	919,700
Total Revenues	\$3,669,779	\$4,535,938	\$4,848,331	\$4,536,300
Expenditures				
16101 · Billing Service Fees - Water	21,843	29,124	30,608	30,600
16105 · Maintenance & Repairs - Water	127,743	147,924	138,776	155,300
16107 · Chemicals - Water	12,306	16,408	16,660	17,200
16108 · Laboratory Expense - Water	5,671	7,561	10,153	7,900
16109 · Mowing - Water	5,528	7,371	7,424	7,700
16110 · Utilities - Water	27,298	36,397	45,459	38,200
16111 · Reconnections	500	667	420	700
16112 · Disconnect Expense	2,084	2,779	637	2,900
16113 · Service Account Collection	0	0	4,770	0
16114 · Telephone Expense - Water	1,991	2,541	2,205	2,700
16115 · Meter Replacement	0	0	900	900
16116 · Permit Expense - Water	1,196	1,595	1,256	1,700
16118 · Surface Water Fee	253,862	338,483	372,307	355,400
16201 · Billing Service Fees-Wastewater	21,920	29,227	30,608	30,700
16203 · Grease Trap Inspections	6,067	8,089	8,316	8,500

Proposed Budget

Harris County MUD No. 36 - Fiscal Year Ending 09/26

	Nine Month Actuals 10/24 - 06/25	Twelve Months Annualized FYE 09/25	Approved 2025 Budget	Proposed 2026 Budget
16205 · Maint & Repairs - Wastewater	70,375	93,833	90,784	98,500
16207 · Chemicals - Wastewater	6,207	8,276	8,690	8,700
16208 · Laboratory Fees - Wastewater	20,352	27,136	29,963	28,500
16209 · Mowing - Wastewater	6,321	8,428	7,403	8,800
16210 · Utilities - Wastewater	35,090	46,787	57,431	49,100
16211 · Utilities - Lift Station	3,348	4,464	5,445	4,700
16212 · Sludge Removal	20,780	35,623	38,363	37,400
16214 · Telephone Expense - Wastewater	903	1,204	1,785	1,300
16216 · Permit Expense - Wastewater	2,315	3,087	2,432	3,200
16301 · Garbage Expense	43,999	58,705	59,228	61,600
16401 · WQ Feature Mowing	225	300	315	300
16402 · Detention Pond Mowing	13,140	17,520	18,396	18,400
16502 · Inspection Expense	0	0	22,653	0
16701 · Administrative Fees	6,651	8,868	7,970	9,300
16703 · Legal Fees	36,523	48,697	55,000	55,000
16705 · Auditing Fees	23,500	23,500	22,050	24,700
16706 · Engineering Fees	36,751	49,001	60,000	60,000
16710 · Website Expense	1,020	1,360	750	1,400
16711 · Insurance & Surety Bond	29,121	29,121	25,900	30,600
16712 · Bookkeeping Fees	39,131	52,175	55,090	60,000
16714 · Printing & Office Supplies	2,154	2,872	5,697	3,000
16715 · Filing Fees	157	209	1,397	200
16716 · Delivery Expense	720	960	2,171	1,000
16717 · Postage	1,922	2,563	2,866	2,700
16718 · Record Storage Fees	1,399	1,865	1,319	2,000
16721 · Meeting Expense	3,126	4,168	4,523	4,400
16722 · Bank Charges	211	265	396	300
16723 · Travel Expense	131	175	126	200
17101 · Payroll Expenses	7,735	11,669	10,210	12,300

Proposed Budget

Harris County MUD No. 36 - Fiscal Year Ending 09/26

	Nine Month Actuals 10/24 - 06/25	Twelve Months Annualized FYE 09/25	Approved 2025 Budget	Proposed 2026 Budget
17103 · Payroll Tax Expense	592	893	781	900
17401 · IDG System Maintenance	13,100	17,467	18,460	18,300
17802 · Miscellaneous Expense	870	870	500	500
Total Expenditures	\$915,878	\$1,190,226	\$1,288,593	\$1,267,700
Other Revenues				
15901 · Assigned Operating Surplus	0	0	2,055,262	4,086,400
15905 · Power Secure Settlement	0	0	10,000	10,000
Total Other Revenues	\$0	\$0	\$2,065,262	\$4,096,400
Capital Outlay				
17901 · Capital Outlay	39,334	49,899	50,000	50,000
17902 · Drainage Facility Rehab	0	0	100,000	300,000
17904 · Capital Outlay - WL Replacement	174,641	189,287	5,000,000	5,000,000
17922 · Capital Outlay - WP Fence	34,638	41,480	300,000	40,000
17923 · Capital Outlay - WP Chloarmine Cover	0	0	0	800,000
17924 · Capital Outlay - WP Surface Water Lin	0	0	0	1,000,000
18106 · Liberty Property Reimbursement	0	0	175,000	175,000
Total Capital Outlay	\$248,613	\$280,666	\$5,625,000	\$7,365,000
Net Excess Revenues <Expenditures>	\$2,505,288	\$3,065,046	\$0	\$0

EXHIBIT "C"

District Snapshot: *data that tells a story*

Each of the following four pages offers a clear, engaging snapshot of your District - highlighting key details about its homes, residents, property values, and financial activity. This overview is designed to help you better understand the community you serve and see your unique story behind the numbers. These Dashboards are provided by **EVO**, the data analytics division of MAC.

Page 1

Housing Affordability in Texas

This page explores housing affordability by comparing median single-family home prices and income needed to qualify for a single-family home to your local Metropolitan Statistical Area (MSA). It also tracks home price trends over the past five years. Together, these insights offer a snapshot of local housing dynamics and the pressures shaping affordability today.

Page 2

Resident Overview

Get to know the people who make up your District. Age, gender, and education demographics are paired with a subdivision map to give a clear picture of the community's composition and layout. Job market data from the Texas Workforce Commission shows the mix of employment by industry and how job counts have shifted over time in your MSA.

Page 3

District Value Analysis

Take a closer look at how value is distributed and changing within your District. This page highlights overall value trends, the impact of the homestead cap on taxable values, and the types of properties that make up your District. A gradient value map shows where value is concentrated, and a distribution chart displays the number of properties within various value ranges.

Page 4

Bonds and Investments

This section provides a high-level look at your District's approach to bonds and investment management. It includes a summary of bond authorization and utilization, a timeline of outstanding debt, and a breakdown of how funds are currently invested. A revenue trend chart also illustrates how investment earnings have shifted alongside interest rate changes.

Interested in learning more? Contact the **EVO** team to explore how we can provide deeper insights tailored to your District.

STRATEGIC REPORTING FOR WATER, FIRE & SPECIAL DISTRICTS

The **EVO** family of products are powerful tools that evaluate data relating to the Property Taxes, Value, Financials, Operations and Demographics of your District to assist in making data-driven decisions and strengthening your District for many years to come.



713-331-7806

team@municipalinfo.com

EVOLVINGWITHEVO.COM



Harris County Municipal Utility District No. 36

EVO Comprehensive Financial Reporting - FY 2024



Housing Affordability in Texas: Why the MUD Model Continues to Work

The Texas housing market, once known for steady growth and affordability, has shifted dramatically in the last two decades. At a high level, drivers of this shift include increases in land costs and government development restrictions.

Median New Home
Price in Houston Area*

\$495,274

Income Needed
to Qualify*

\$168,580

Households Unable to
Afford Median Price*

78.9%

*Special Study for Housing Economics- National Association of Homebuilders-March 2024

**Housing Affordability in Texas by Residential Strategies, Inc. November 2024

Increases in land costs are compounded by the need for infrastructure development like water, sewer, roads and public services. MUDs play a crucial role in housing affordability in Texas. Special districts, such as MUDs, allow infrastructure and new housing communities to develop quicker than cities or counties, thus enabling local regions to have the ability to keep up with demand.

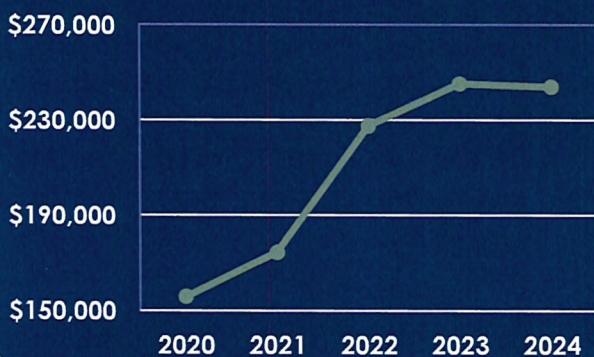
\$241,125

Median Value of a
Single-Family Home in the District (2024)

\$81,018

Income Needed to Qualify for a Median-Valued
Single-Family Home in the District

Historical Average Single-Family Home
Value within the District



56.6%



Increase in
Single-Family
Home Value from
2020 to 2024

Continued reform of certain government regulations, streamlining approval processes, as well as expediting the permit, inspection and acceptance procedures are keys to maintaining this demand in the housing market. Additionally, continuing to highlight the benefits of MUDs can help keep housing in Texas affordable.

Single-Family Months Inventory in the Houston Area***

4.2

July 2024

5.5

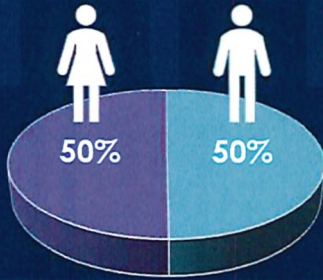
July 2025

This number estimates the number of months it will take to deplete current active inventory based on the prior 12 month sales activity. This figure is representative of the single-family homes market.

***Source: Houston Association of REALTORS

HC MUD 36: Resident Overview

Population by Gender

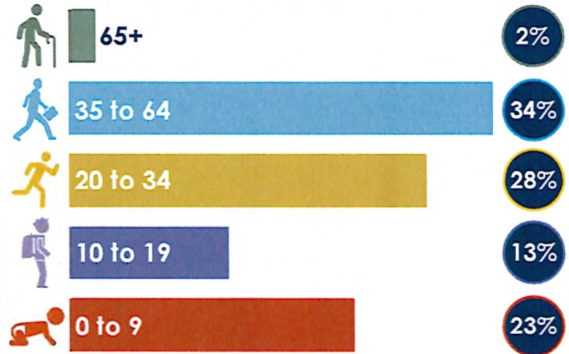


*Population and Demographic Information is based on the 2020 Census Data and the 2023 American Community Survey.

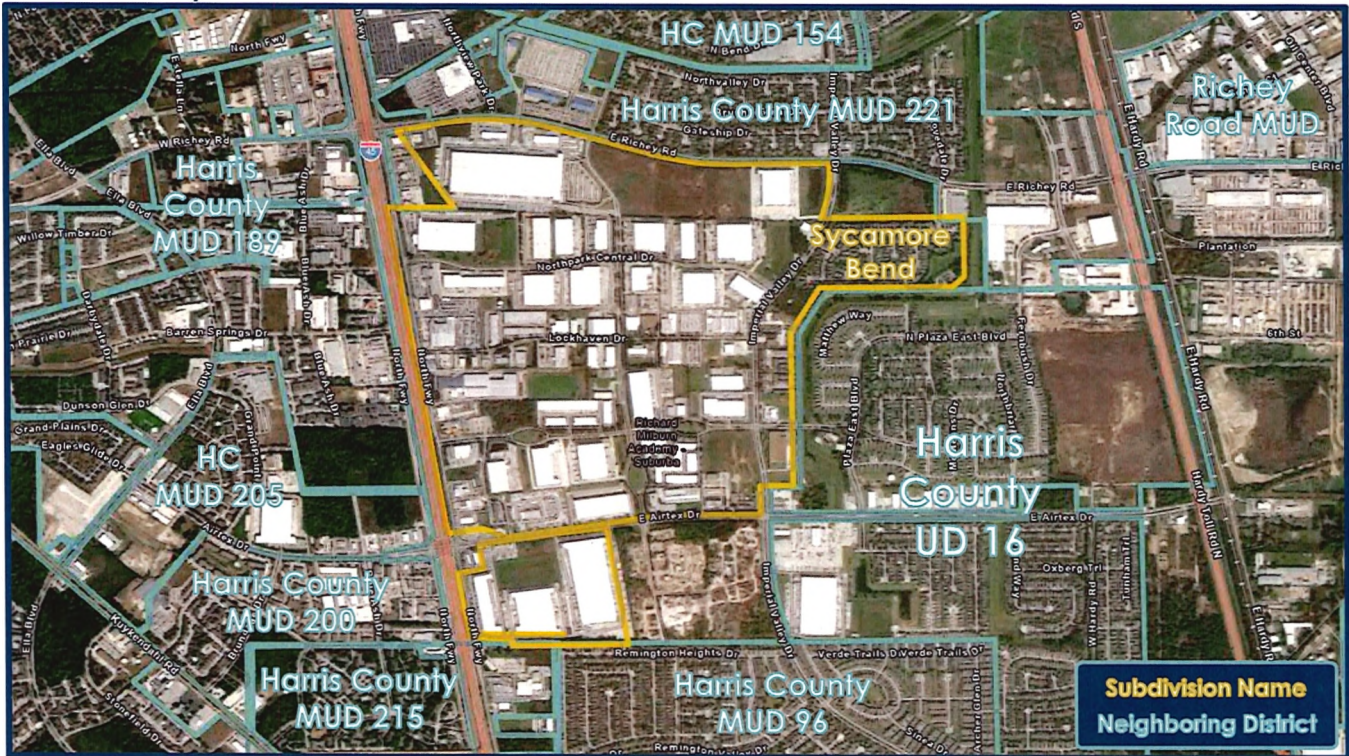
1,390
Total Number
of Residents

The Average Education
Level within the District is
a High School Diploma.

Age Distribution of Residents



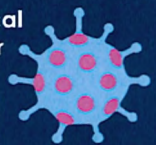
Subdivision Map



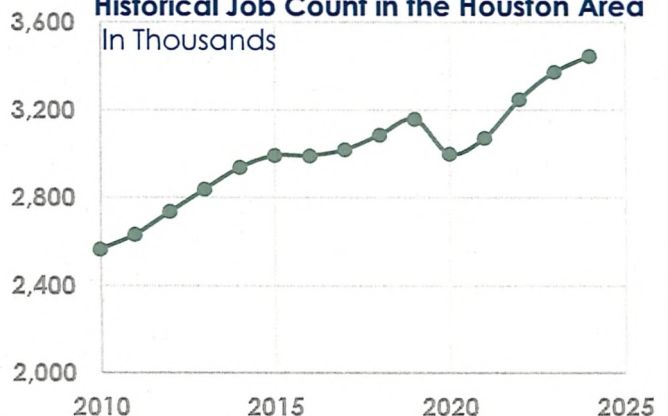
Job Category Distribution in the Houston Area



During the course of the pandemic, the local economy lost 375,000 jobs. By December 2024, the local economy had not only recovered all lost jobs, but had gained approximately **292,400 additional jobs.**



Historical Job Count in the Houston Area In Thousands



*Houston area job data is sourced from the Texas Workforce Commission.

HC MUD 36: District Value Analysis

Impact from Homestead Cap on Historical Value

In Millions

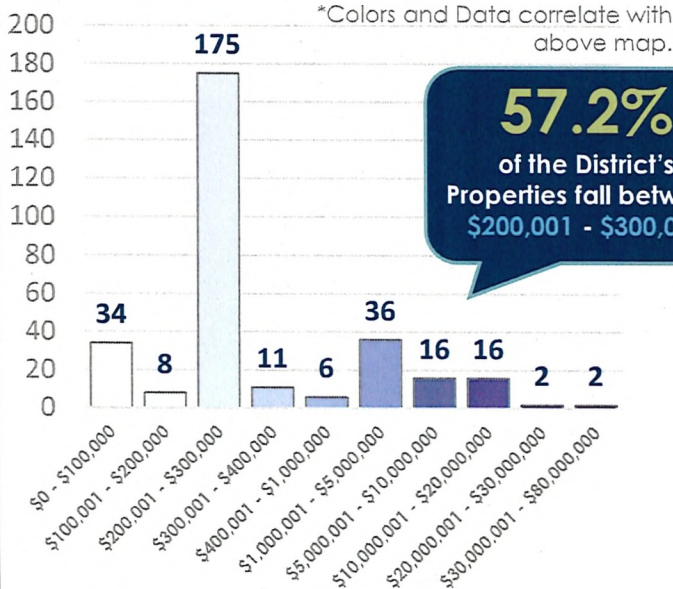
The Gulf Coast region has experienced huge growth in home value over the last 3 tax years. In Texas, a Residential Homestead is protected from appraisal value increase in excess of 10% per year. The graphs below illustrate the growth & impact of the Homestead Cap on your final Taxable Value.



2024 Appraised Value by Parcel

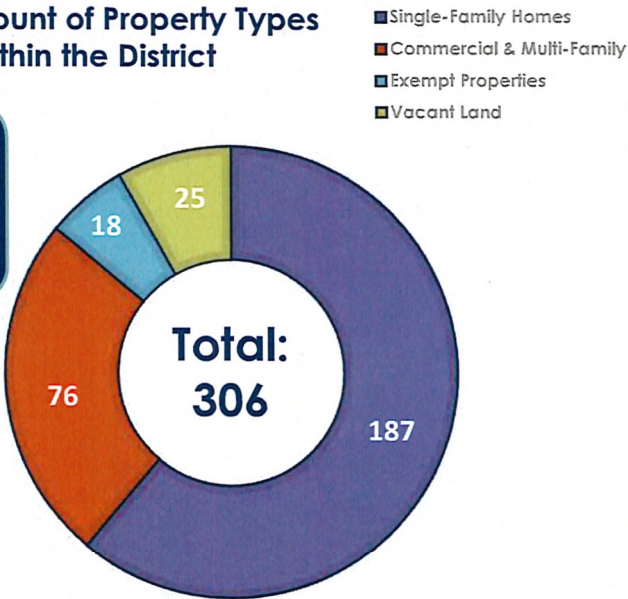


Distribution of Value within District



57.2%
of the District's
Properties fall between
\$200,001 - \$300,000

Count of Property Types within the District



HC MUD 36: Bond and Investment Overview

Bond Authorization In Millions



47.4%

Percent of New Money Authorization that has been Issued

This timeline represents when all of your Outstanding Bond Series will mature. The last Maturity Date is **N/A**.

N/A

Range of Outstanding Bonds' Interest Rates

4.40% - 5.65%

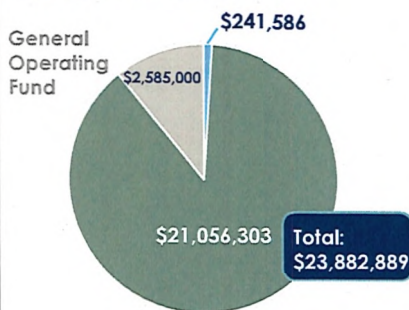
Range of Investment Interest Rates (2024 FY)



Bonds and Investments

Over the last 15 years, the municipal bond industry has been able to borrow at low, tax-exempt rates typically ranging from 3-5% for new money issues and as low as 1% for refunding bonds in recent years. During that time, investment yields have been low, so there has been little risk of unspent bond proceeds earning a higher interest rate in the District's accounts. Starting in 2022, investment yields increased quickly and rose above 5%. The combination of low borrowing rates & high investment yields have created potential arbitrage liabilities.

Allocation of Investments

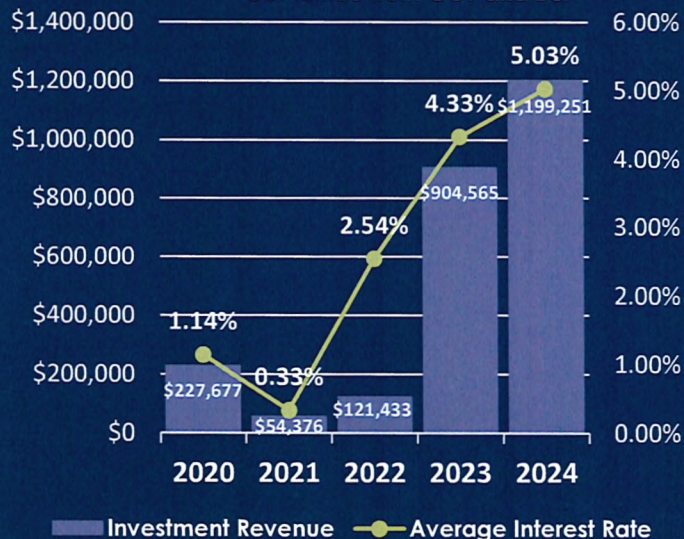


Debt Service Fund

Total: \$0

Historical Investment Revenue

Combined from GOF and DSF



■ Cash ■ Money Market ■ Certificates of Deposit

EXHIBIT "D"

MEMORANDUM

TO: Board of Directors (the "Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District")

FROM: Schwartz, Page & Harding, L.L.P. ("SPH")

DATE: September 11, 2025

RE: Debt Service Funds; CDARS; Annual Review of Investment Policy

The Public Funds Investment Act (Chapter 2256, Texas Government Code, referred to in this memo as "PFIA") and Section 49.199 of the Texas Water Code require that the Board adopt rules, regulations and policies for investment of District funds. The Board has adopted an Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy") to comply with such requirement. The PFIA further requires that the Board review its Investment Policy, at least annually.

In connection with the Board's annual review of the Investment Policy, the Board may want to consider revisions to facilitate the investment of District's funds in certificates of deposit procured through IntraFi Network's Certificate of Deposit Account Registry Service ("CDARS"). CDARS is a program whereby the District can deposit up to \$50,000,000 with a single bank, and such funds are then spread among other Federal Deposit Insurance Corporation ("FDIC") insured banks that participate in the CDARS program ("Destination Institutions"), such that all of the money is covered by FDIC insurance.¹ Certificates of deposit procured through the CDARS program are an authorized investment under the PFIA so long as the funds are invested through a bank or broker that has its main office or a branch office located in Texas ("Originating Bank"), and said Originating Bank is appointed as the custodian for the District with respect to the CDs issued. Given the recent incidence of fraudulent wire theft activity targeting funds of governmental entities, the Board may want to consider avoiding concentrating all or a majority of its debt service funds in a single account.

Should the Board desire to facilitate the District's Investment Officer's use of CDARS, we recommend the following revisions to the Investment Policy:

- Section 4 (Authority and Duties of the Investment Officer), Subsection C.

The language of this subsection currently provides that District funds may only be invested in the name of the District. The CDARS program utilizes a custodian, and any CDs placed

¹ IntraFi has provided SPH with a letter dated July 29, 2003 from the FDIC's Legal Division opining that the deposits placed through the CDARS system are insurance on a pass-through basis under FDIC's rules on the insurance coverage of agency or custodial accounts, subject to appropriate record keeping and other applicable procedures. A copy of that letter is attached to this memorandum.

through CDARS will be reflected on the books of the Destination Institution in the custodian's name.

Proposed Revision: Add language that provides that CDARS may be held in the custodians name, but only if the records of the Originating Bank, Custodian, and Destination Institution maintain their records in a manner such that that certificate of deposit are FDIC insured to the same extent as if they were recorded in the name of the District by Destination Institution.

- Section 5 (General Investment Principles and Objectives), Subsection C.

The language of this subsection currently provides that Certificates of Deposit must be covered by FDIC insurance, the National Credit Union Share Insurance Fund, or pledged collateral.

Proposed Revision: Add language specific to CDARS that requires the full amount of the deposit and accrued interest to be covered by FDIC insurance.

- Section 5 (General Investment Principles and Objectives), Subsection F.

The language of this subsection currently provides that all withdrawals, expenditures or appropriations of District funds be by wire or check signed by three directors.

Proposed Revision: Add language specific to CDARS that authorizes the custodian to endorse CDARS related checks and deliver receipts, releases and other instruments on behalf of the District.

Further, the Investment Policy currently provides that brokered CDs are an authorized investment, but only upon specific approval by the Board. If the Board desires to allow the Investment Officer to purchase brokered CDs for the debt service account through the CDARS network, the Board should take action to authorize same, with such authorization being memorialized through a Board meeting minute entry.

**FDIC****Federal Deposit Insurance Corporation**
550 17th Street, NW, Washington, DC 20429

Legal Division

July 29, 2003

Mark T. Young, Esquire
Sievert, Young & Donahoe LLP
Suite 1650
15910 Ventura Boulevard
Encino, California 91436-2842

Dear Mr. Young:

This is in response to your request for an opinion on the FDIC deposit insurance coverage available for deposits purchased through a program sponsored by Promontory Interfinancial Network ("Network"). Entitled the "Certificate of Deposit Account Registry Service" ("CDARS"), the program is a deposit-placement service designed to allow FDIC-insured depository institutions to accept deposits of more than \$100,000 and obtain full coverage for the depositor by spreading the funds among as many separate FDIC-insured institutions as necessary so that no institution holds more than \$100,000 (principal plus interest) for each depositor. Your view is that FDIC insurance would apply to all deposits placed through the CDARS program, assuming the program is operated as indicated in the materials enclosed with your letter.

The applicable materials you provided to us are marked "02/03 Version." The "Participating Institution Agreement" defines a *Participating Institution* as an institution participating in the CDARS program and indicates that a *Participating Institution* may act from time to time in one of three capacities: a *Relationship Institution* – an institution that submits its depositors' funds for placement through CDARS and acts as custodian with respect to its depositors' certificates of deposit ("CDs"); an *Issuing Institution* – an institution that issues CDs to depositors for funds placed with the *Participating Institution* through CDARS; and a *Surplus Institution* – an institution that on an order date is willing to accept time deposits in excess of the funds, if any, it has submitted for placement through CDARS on that order date.

"The CDARS Deposit Placement Agreement" provides the terms and conditions upon which the *Relationship Institution* will place a depositor's funds with other FDIC-insured institutions (*Issuing Institutions*) that have entered into similar contracts with the Network. The agreement states that the *Relationship Institution* will act as the depositor's agent in placing funds in CDs with the *Issuing Institutions*. It indicates that: the *Relationship Institution* will act as the depositor's custodian with respect to the CDs and has entered into an agreement with The Bank of New York ("BNY") to act as the *Relationship Institution's* sub-custodian with respect to the CDs for which the

Relationship Institution is acting as the depositor's custodian; each CD for which the *Relationship Institution* is acting as the depositor's custodian will be recorded on the *Issuing Institution's* records in the name of the sub-custodian, BNY; the CD will be recorded on BNY's records in the *Relationship Institution's* name; and the CD will be recorded on the *Relationship Institution's* records in the depositor's name.

The Participating Institution Agreement contains these relevant disclosure and recordkeeping provisions:

Section 9.01 Recordkeeping for FDIC Purposes

As custodian for your Depositors, you will maintain, in accordance with applicable published requirements of the FDIC, a record of (i) the name, address, taxpayer identification number, and amount of the account of each Depositor for which CDs have been issued through CDARS and (ii) any representative capacity in which the Depositor may be acting.

Section 9.04 Recordation of CDs

Each CD that you issue will be established on your deposit account records in the name of "[Name of Sub-custodian], acting as agent for itself and others, each acting for itself and others," or in such other manner of recordation as may be approved from time to time by the FDIC to permit "pass-through" of deposit insurance to the beneficial owner of the CD.

The agreement between BNY (the sub-custodian) and the *Participating Institutions* specifies that the sub-custodian will:

- 2. Record each CD as issued by you [the issuing institution] in the name of "BNY, as agent for itself and others, each acting for itself and others" (or such other manner of recordation as may be approved from time to time by the FDIC to permit "pass-through" of deposit insurance) (Schedule A)*

Discussion

Deposit insurance is provided under the Federal Deposit Insurance Act, as implemented by the FDIC's regulations, based on the rights and capacities in which deposits are held at FDIC-insured depository institutions. 12 U.S.C. §1821(a) and 12 CFR Part 330. For deposits held by an agent for its principals at FDIC-insured

institutions, such as in the CDARS program, deposit insurance is said to “pass through” the holder of the account (the agent) to the owners of the funds (the principals). 12 CFR §330.7. The same logic applies where an agent is acting for multiple owners/principals and where there are multiple levels of agency relationships. The FDIC’s deposit insurance regulations impose specific requirements for funds held in a fiduciary relationship. 12 CFR §330.5(b). Essentially, as long as the institution’s deposit account records indicate that the funds are held in an agency capacity and the institution’s records, the agent’s records or an authorized third-party’s records, maintained in good faith and in the ordinary course of business, designate the ownership interest of the principal(s) in the account, the FDIC will insure the funds on a pass-through basis as if each principal had placed his or her respective funds directly with the applicable depository institution.

For deposits held in multi-tiered fiduciary relationships, such as in the CDARS program, special rules apply. One way to satisfy the disclosure and recordkeeping requirements is for the deposit account records of an insured institution to indicate the existence of each and every level of the fiduciary relationships and disclose at each level the names and interest of the person (s) on whose behalf the party at that level is acting. Another way is to: expressly indicate on the deposit account records of the insured institution that there are multiple levels of fiduciary relationships; disclose the existence of additional levels of fiduciary relationships in records by parties at subsequent levels; and disclose at each of the levels the names and interests of the persons on whose behalf the party at that level is acting. 12 CFR §330.5(b)(3).

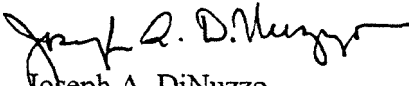
The CDARS program is a self-described deposit-placement service in which participating institutions act as agents for depositors in placing funds at other participating institutions. As specified in the above-quoted provisions of the applicable CDARS documents: (1) the *Issuing Institutions*’ records will indicate that the deposits are being held by BNY “acting as agent for itself and others, each acting for itself and others”; (2) BNY’s records will record each CD held by BNY as sub-custodian for the *Relationship Institution* as custodian for its depositors; and (3) the *Relationship Institution*’s records (and/or an authorized third party’s records) will contain the name, address and other identifying information of each depositor for which CDs are purchased through CDARS. This methodology conforms to the disclosure and recordkeeping requirements in section 330.5(b) of the FDIC’s regulations. As such, the FDIC’s requirements for agency pass-through deposit insurance coverage would be satisfied and, thus, the FDIC would regard each depositor/principal to be the insured party per participating institution for deposit insurance purposes.

As explained in the CDARS materials, please note that if the same depositor/principal also has an ownership interest in other deposits at the same *Issuing Institution*, those deposits would be added to his or her ownership interests in deposits (held in the same ownership capacity) placed through the CDARS system and insured in the aggregate to a limited of \$100,000.

In summary, based on the CDARS information in the materials enclosed with your letter, we agree that deposits placed through the CDARS system would be insured on a pass-through basis under the FDIC's rules on the insurance coverage of agency or custodial accounts. For this coverage to be available, the recordkeeping and other applicable procedures specified in the materials would have to be followed. These views are based on the information contained in the version of the CDARS materials enclosed with your letter. Revisions to those documents on deposit ownership and recordkeeping may affect the deposit insurance coverage results. Also, this opinion addresses only the deposit insurance implications of the CDARS program. It is not intended to address any other legal or policy issues.

I hope this is fully responsive to your inquiry. Feel free to call me 202-898-7349 with any additional questions or comments.

Sincerely yours,,


Joseph A. DiNuzzo
Counsel

RESOLUTION REGARDING REVIEW OF
ORDER ESTABLISHING POLICY FOR INVESTMENT
OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

WHEREAS, Harris County Municipal Utility District No. 36, of Harris County, Texas ("District"), adopted its Order Establishing Policy For Investment of District Funds and Appointing Investment Officer, dated October 12, 2023 ("Order"), pursuant to Chapter 2256, Texas Government Code, and Section 49.199, Texas Water Code; and

WHEREAS, Chapter 2256, Texas Government Code, requires the District to perform an annual review of its investment policy and investment strategies included within the Order; and

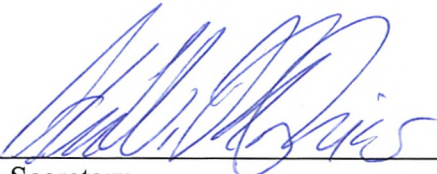
WHEREAS, the District has, on the date hereof, performed said review.

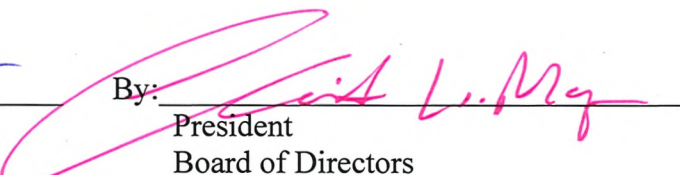
NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of Harris County Municipal Utility District No. 36, of Harris County, Texas, that the policies, procedures, provisions and investment strategies set forth in the Order are hereby revoked, and the attached Order Establishing Policy for Investment of District Funds and Appointing Investment Officer be adopted.

PASSED AND ADOPTED ON THIS 11th day of September, 2025.

ATTEST:

HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 36, OF HARRIS
COUNTY, TEXAS

By: 
Secretary
Board of Directors

By: 
President
Board of Directors



ORDER ESTABLISHING POLICY FOR
INVESTMENT OF DISTRICT FUNDS
AND APPOINTING INVESTMENT OFFICER

WHEREAS, HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY, TEXAS (the "District") is a body politic and corporate and a governmental agency of the State of Texas, operating under and governed by the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and Section 59 of Article XVI of the Texas Constitution; and

WHEREAS, Chapter 2256, Texas Government Code (sometimes referred to herein as the "Public Funds Investment Act"), and Section 49.199, Texas Water Code, require that the Board of Directors of the District adopt rules, regulations and policies governing the investment of District funds and designate one or more of its officers or employees to be responsible for the investment of such funds.

NOW, THEREFORE, IT IS ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY, TEXAS THAT the policies, procedures and provisions set forth herein be and are hereby ADOPTED, effective as of the date hereof or and that any order, and every amendment thereto, heretofore adopted by the Board of Directors establishing policies for the investment of District funds and appointing an investment officer shall be and are hereby revoked and superseded effective as of September 11, 2025, the effective date of this Order.

Section 1. Purpose. The purpose of this Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy") is to adopt rules and regulations which set forth the District's policies with regard to the investment and security of District funds or funds under the District's control. It is further the purpose of this Investment Policy to ensure that purchases and sales of District investments are initiated by authorized individuals, conform to investment objectives and regulations, and are properly documented and approved, and to provide for the periodic review of District investments to evaluate investment performance and security, all as required by applicable law.

Section 2. Appointment of Investment Officer; Standard of Care. Mark Burton and Ghia Lewis of Municipal Accounts & Consulting, L.P., the District's bookkeeper shall be and are each hereby individually designated the Investment Officer of the District, responsible for the supervision of investment of District funds pursuant to this Investment Policy. In the administration of his or her duties hereunder, the District's Investment Officer shall exercise the judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived; however, the District's Board of Directors shall retain ultimate responsibility as fiduciaries of the District's assets. The District's Board of Directors, Tax Assessor-Collector, Financial Advisor and other consultants shall be authorized to assist the Investment Officer in the carrying out of the duties of Investment Officer.

Section 3. Appointment of Investment Officer and Tax Assessor-Collector for Investment of District Funds. Pursuant to Section 49.157(b), Texas Water Code, the Board of Directors hereby designates the District's Investment Officer as the authorized representative of the District to (a) invest and reinvest the funds of the District; (b) withdraw District funds from appropriate accounts of the District for the investment of same in accordance with the terms of this Investment Policy; and (c) arrange for adequate security for uninsured deposits or funds of the District pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall be substantially in the form attached hereto as Exhibit "B" or such other form that has been approved through formal action of the Board of Directors, and to execute said Agreement(s) and any documentation required in connection therewith on behalf of the District. To the extent that the District's Tax Assessor-Collector is required to perform any of the functions set forth in (a), (b) or (c) above, the Tax Assessor-Collector shall do so in accordance with the provisions of the Public Funds Investment Act and this Investment Policy, and under the supervision of and in consultation with the District's Investment Officer.

Section 4. Authority and Duties of Investment Officer. The following rules shall apply to the District's Investment Officer:

A. The Board of Directors hereby instructs the Investment Officer for the District to maintain the investments of the District in a manner consistent with the rules and regulations set forth in this Investment Policy, the Public Funds Investment Act, as amended, and such other laws and regulations applicable to the District.

B. No persons, other than those designated in Section 3 above, may deposit, invest, transfer, withdraw or otherwise manage District funds without express written authority of the District's Board of Directors.

C. (i) Except as provided in subsection 4.C.(ii) below, the Investment Officer for the District shall invest and reinvest District funds only in those investments authorized under this Investment Policy or by the Board, and only in the name of and solely for the account of "Harris County Municipal Utility District No. 36, of Harris County, Texas." The Bookkeeper for the District shall be authorized to wire transfer funds of the District only (1) for the purchase of investments solely in the name of "Harris County Municipal Utility District No. 36, of Harris County, Texas," (2) for the transfer of all or any portion of the principal of or interest earnings or profits or gains on any investment of the District to one or more previously authorized and established accounts of "Harris County Municipal Utility District No. 36, of Harris County, Texas," (3) for the transfer of District funds to any paying agent of the District for the payment of principal and semiannual interest payments on any outstanding bonds of the District and for the payment of paying agent fees relative to same, or (4) for other purposes, such as the payment of District bills, pursuant to a resolution or other express written instructions of the District's Board of Directors.

(ii) An investment made in a certificate of deposit acquired in the manner described in Section 2256.010(b), Texas Government Code, as amended, if authorized by the Board of Directors in accordance with Section 6.F.2. of this Investment Policy, may be

acquired by an agent exercising custodial powers to act on behalf of the District pursuant to a deposit placement agreement, custodial agreement, or similar agreement (individually or collectively, "CDARS Agreements") duly authorized by the Board of Directors and executed by a Board member on behalf of the District. The CDARS Agreements may provide that the certificate(s) of deposits so acquired be held in the name of the custodial or a sub-custodian, but only if the depository institution holding the deposit, the custodian, and, if applicable, any sub-custodian, maintain their records in a manner that permits the certificate(s) of deposits to be FDIC insured to the same extent as if such certificate(s) of deposit were recorded in the name of the District by the depository institution holding the deposit

D. The Investment Officer for the District shall, not later than the first anniversary of the date the Investment Officer takes office or assumes such duties, attend a training session of at least six (6) hours of instruction relating to the Investment Officer's responsibilities under the Public Funds Investment Act, as amended, from an independent source approved by the Board of Directors of the District or the Board's Investment Committee, and thereafter shall attend at least four (4) hours of additional investment training within each two-year period that begins on the first day of the District's fiscal year and consists of the two consecutive fiscal years after that date. Such investment training must include education in investment controls, security risks, diversification of investment portfolio, strategy risks, market risks, and compliance with the provisions of the Public Funds Investment Act, as amended.

E. Not less frequently than each fiscal quarter, the Investment Officer shall prepare and submit to the Board of Directors of the District a written report of investment transactions for all invested funds of the District for the preceding reporting period. Such report must (1) describe in detail the investment position of the District on the date of the report; (2) be prepared by the Investment Officer for the District; (3) be signed by the Investment Officer of the District; (4) contain a summary statement of each pooled fund group, if any has been created by the District, that states the beginning market value for the reporting period, ending market value for the period, and fully accrued interest for the reporting period; (5) state the book value and market value of each separately invested asset of the District at the end of the reporting period by the type of asset and fund type invested; (6) state the maturity date of each separately invested asset that has a maturity date; (7) state the current rating assigned to each investment, investment vehicle, or investment security by a nationally recognized investment rating firm, nationally recognized credit rating agency or nationally recognized rating service, as appropriate; (8) state the account or fund or pooled group fund, if the District has any, for which each individual investment was acquired; and (9) state the compliance of the District's investment portfolio as it relates to the investment strategy for each account of the District as set forth in this Investment Policy and relevant provisions of the Public Funds Investment Act, as amended. Such report must be presented to the Board of Directors of the District within a reasonable period of time after the end of each fiscal quarter. If the District invests in other than (i) money market mutual funds, (ii) investment pools, or (iii) accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, all of the type authorized under Section 6 of this Investment Policy, the reports prepared under this

Section 4.E. shall be formally reviewed at least annually by an independent auditor, and the result of such review shall be reported to the District's Board of Directors by that auditor.

F. In the event an investment or investment vehicle in which the District has placed funds, or the security therefor, is required to maintain a minimum rating pursuant to the Public Funds Investment Act fails to maintain the minimum required rating, the Investment Officer shall take all prudent measures consistent with this Order to liquidate the investment and reinvest such funds in a conforming investment, if appropriate.

G. In the event District funds are invested or reinvested in Certificates of Deposit, the Investment Officer or Tax Assessor-Collector, as applicable, shall solicit bids from at least two (2) bidders, either orally, in writing, electronically or in any combination of those methods, for each such investment.

H. All purchases of investments, except investments in investment pools or in mutual funds, shall be made on a delivery versus payment basis.

I. Not less frequently than each fiscal quarter, and as close as practicable to the end of such reporting period, the District's Investment Officer shall determine the market value of each District investment. Such market values shall be included in the written reports submitted to the District's Board of Directors pursuant to Section 4.E hereinabove. The following methods shall be used:

- (1) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (2) Shares in money market mutual funds and investment pools, if any, shall be valued at par plus any accrued but unpaid interest.
- (3) Other investment securities may be valued in any of the following ways:
 - (a) the lower of two bids for such security obtained from qualified securities brokers/dealers with whom the District may engage in investment transactions;
 - (b) the average of the bid and asked prices for such security as published in The Wall Street Journal or The New York Times;
 - (c) the bid price for such security published by any nationally recognized security pricing service; or
 - (d) the market value quoted by the seller of the security.

J. A written copy of the District's Investment Policy must be presented to any business organization offering to engage in an investment transaction with the District. For

purposes of this section J., the term "business organization" means an investment pool or an investment management firm under contract with the District to invest or manage the District's investment portfolio that has accepted authority from the District to exercise investment discretion in regard to the District's funds. The "qualified representative" of the business organization offering to engage in an investment transaction with the District shall execute a written instrument in a form acceptable to the District substantially to the effect that the business organization has received and reviewed the Investment Policy of the District and acknowledges that such business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and such organization or firm that are not authorized by the District's Investment Policy, except to the extent that such authorization is dependent on an analysis of the makeup of the District's entire investment portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the District that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority. The District's Investment Officer may not acquire or otherwise obtain any authorized investment described in Section 6 hereof from a business organization that has not delivered to the District the written statement acknowledging receipt of this Investment Policy in a form substantially similar to that attached hereto as Exhibit "A" (the "Certificate of Compliance"). For purposes of this Section 4.J., the "qualified representative" of a business organization offering to engage in an investment transaction with the District means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- (1) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers; or
- (2) for an investment pool, the person authorized to sign the written instrument on behalf of the investment pool by the elected official or board with authority to administer the activities of the investment pool.

The "qualified representative" of an investment management firm under contract with the District for the investment and management of its public funds is a person who is an officer or principal of such firm.

K. The Investment Officer for the District shall disclose in writing to the Board of Directors any (i) "personal business relationship" that they may have with a business organization offering to engage in an investment transaction with the District, or (ii) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, as amended, to any individual seeking to sell an investment to the District. Any written disclosure statement filed with the Board of Directors by the Investment Officer pursuant to this section must also be filed with the Texas Ethics Commission. For purposes of this Section 4.K., the Investment Officer has a "personal business relationship" with a business organization if:

(1) the Investment Officer owns ten percent (10%) or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

(2) funds received by the Investment Officer from the business organization exceed ten percent (10%) of the Investment Officer's gross income for the previous year; or

(3) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for their personal account.

L. In conjunction with the District's annual financial audit, a compliance audit of management controls on investments and adherence to this Investment Policy must be performed. In connection with said compliance audit, the Board of Directors shall review on an annual basis this Investment Policy and its investment strategies. In connection with said annual review, the District's Board of Directors shall adopt a written resolution stating that it has reviewed this Investment Policy and the investment strategies set forth herein, and shall indicate in said resolution either the continuance of this Investment Policy without amendment or the changes made to the Investment Policy and/or the investment strategies herein.

M. In addition to all other requirements set forth herein, the Investment Officer for the District shall invest and reinvest District funds in a manner consistent with and in compliance with applicable laws and regulations, including, without limitation: (i) Chapter 2270, Texas Government Code, relative to prohibition of investment or reinvestment of public funds in publicly traded securities of scrutinized companies, as determined by the Texas State Comptroller, engaging in scrutinized business operations in the Sudan, Iran, or with a designated foreign terrorist organization; and (ii) Chapters 2271 and 2274, Texas Government Code, relative to prohibition of certain contracts unless they contain a written verification by the counterparty thereto that said counterparty does not and will not (a) boycott energy companies, or (b) discriminate or have a policy discriminating against a firearm entity or trade association. In the event an investment or investment vehicle in which the District has placed funds, or the security therefor, requires divestment in accordance with the requirements of Chapter 2270, Texas Government Code, the Investment Officer for the District shall sell, redeem, divest, or withdraw all publicly traded securities of the company engaging in scrutinized business operations, all in accordance with Chapter 2270.

N. Not later than December 31 of each year, the Investment Officer shall prepare and file on behalf of the District: (i) a publicly available report with the presiding officer of each chamber of the State Legislature and the State Attorney General identifying: (a) all investments sold, redeemed, divested, or withdrawn in compliance with Section 2270.0206, Texas Government Code; (b) all prohibited investments under Section 2270.0209, Texas Government Code; and (c) summarizing any changes made with respect to investments of the District exempted from divestment pursuant to Section 2270.0207,

Texas Government Code; and (ii) a report with the United States presidential special envoy to Sudan that identifies investments in Sudan identified in the report filed with the State Legislature and Attorney General and any changes made under Section 2270.0207 related to those investments. Prior to December 31 of each year, the Investment Officer shall provide the District with a copy of both reports required by this subsection, along with evidence of filing same with the required entities.

Section 5. General Investment Principles and Objectives. All investments of District funds or funds under the District's control shall be made in accordance with the following general rules, regulations and policies:

A. Any moneys in any fund of the District or in any fund established by the Board of Directors in connection with the authorization of the District's bonds, including, but not limited to, proceeds from the sale of such bonds, which funds are not required for the payment of obligations due or to become due immediately, shall be invested and reinvested, from time to time, only in the authorized investments specified in Section 6 hereunder and in accordance with the order(s) of the District authorizing the issuance of said bonds; provided, however, that all such investments shall be secured in the manner provided for the security of the funds of municipal utility districts of the State of Texas (The Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended) or in such other manner as may be authorized by law from time to time and otherwise suitable for the District's needs.

B. The policy of the District is to invest District funds only in instruments which further the following investment objectives of the District stated in order of importance: (1) preservation and safety of principal; (2) liquidity; and (3) yield. The District will continuously attempt to diversify its portfolio to reduce risks. The type, conditions and maturity date of District investments shall be consistent with the cash flow needs and operating requirements of the District, as determined from time to time by the Board of Directors, and consistent with the investment strategy for each District account as set forth in Section 7 hereunder; provided, however, that in no event shall the maximum allowable stated maturity of any individual investment owned by the District exceed two (2) years, unless otherwise specifically set forth in this Investment Policy.

C. (i) If invested in certificates of deposits authorized under Section 6.F.1. hereof, the District's funds shall be secured, to the extent that such funds are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, by the pledge to the District of certain types of securities, as determined in the sole discretion of the District, which under the laws of the State of Texas may be used to secure the deposits of municipal utility districts, pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement which shall be substantially in the form attached hereto as Exhibit "B", the terms and conditions of which are incorporated herein by reference (the "Public Funds Depositor Collateral Security Agreement").

(ii) If invested in certificates of deposit authorized under Section 6.F.2. hereof, each certificate of deposit shall be in an amount such that all principal and accrued

interest over the duration of the certificate of deposit is within Federal Deposit Insurance Corporation's standard maximum deposit insurance amount.

D. Securities pledged to the District shall be pledged pursuant to and in compliance with a Public Funds Depositor Collateral Security Agreement to be entered into by and between the District and the institution(s) pledging such securities. Securities pledged to the District shall either be deposited and held in safekeeping at the trust or safekeeping department of a commercial banking institution located in the State of Texas not affiliated with the pledging institution(s) or a federal home loan bank, or shall be held in a restricted securities account, joint safekeeping account or other similar account in a branch of the Federal Reserve Bank pursuant to any and all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may exist now or hereafter be enacted, promulgated or issued by the Federal Reserve Bank. The District's Investment Officer and Tax Assessor-Collector shall, within the limits of business practicality and consistent with the Federal Deposit Insurance Corporation Statement of Policy dated March 23, 1993, (or any subsequent applicable Statement of Policy issued by the FDIC) relative to the securing of public funds, ensure that the District's uninsured funds are at all times secured as required by the Public Funds Collateral Act (Chapter 2257, Texas Government Code, as amended) and in the manner set forth in the Public Funds Depositor Collateral Security Agreement. The District's Investment Officer and Tax Assessor-Collector are hereby authorized to execute Public Funds Depositor Collateral Security Agreements and any agreements, documents or forms required by the Federal Reserve Bank on behalf of the District, as and when required, and to approve the substitution of securities pledged to the District as collateral pursuant to and in the manner set forth in any Public Funds Depositor Collateral Security Agreement entered into by the District.

E. The Board of Directors recognizes that, within the framework of the above rules, decisions must be made concerning the type and duration of each investment transaction, and that such decisions are best made by the person responsible for implementing the transaction, based upon the facts and circumstances prevailing at the time. As a guide to making such decisions, it is hereby declared the policy of the Board of Directors that priority should be given to proper security of the District's funds over maximizing the yield on investments. Furthermore, in cases where the rate of return on an investment security offered by competing banking institutions are substantially equivalent, the District's Investment Officer shall give preference to those investments and investment institutions offering the greatest degree of administrative convenience and proximity, flexibility of investment arrangements and/or similar intangible benefits and community goodwill.

F. (i) Except as herein provided, nothing herein shall be deemed or construed to authorize the withdrawal, expenditure or appropriation of funds of the District except by check or draft signed by three (3) members of the Board of Directors, or as otherwise provided by applicable statutes or the resolutions, rules, regulations, policies, orders or proceedings of the Board of Directors. Furthermore, the Board of Directors shall retain sole responsibility for establishing and implementing, from time to time, this Investment Policy, and all investment transactions to be undertaken by the District's Investment Officer

pursuant to the Investment Policy shall be subject to the further or more specific directions, instructions, orders, resolutions or actions of the Board of Directors.

(ii) With respect to certificates of deposit acquired in the manner described in Section 2256.010(b), Texas Government Code, if authorized by the Board of Directors in accordance with Section 6.F.2. hereof, the District may, via a written custodial agreement duly authorized by the Board of Directors and executed by a Board member on behalf of the District, delegate authority to a custodian to: (i) endorse on the District's behalf checks or other instruments received for the District's account that requires endorsement, and/or (ii) execute and deliver or file on the District's behalf appropriate receipts, releases, or other instruments.

Section 6. Authorized Investments. Subject to the limitations, restrictions and prohibitions set forth in Chapter 2270, Texas Government Code, the following categories of investment are authorized for investment of District funds:

A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities (including the Federal Home Loan Banks);

B. Direct obligations of the State of Texas or its agencies and instrumentalities;

C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas, or the United States or any of their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; provided, however, the District shall not own or invest in any obligations which it has issued;

E. Interest-bearing banking deposits that are:

(1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; or

(2) placed through a broker with a main office or branch office located in the State of Texas that is included on the District's List of Qualified Brokers or deposited in a depository institution selected by the District with a main office or branch office located in the State of Texas, and:

a. the broker or depository institution arranges for the deposit of the funds in banking deposits in one or more federally

insured depository institutions, regardless of where located, for the District's account;

- b. the full amount of the principal and accrued interest of the banking deposit is insured by the United States or its agencies and instrumentalities; and
- c. the District appoints as its custodian of such banking deposits either:
 - i. the depository institution with a main office or branch office located in the State of Texas at which the funds were initially placed by the District;
 - ii. a custodian meeting the requirements of Section 2257.041(d), Texas Government Code; or
 - iii. a clearing broker dealer registered with the Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3)

F. (1) Certificates of deposit that are issued by a depository institution that has its main office or a branch office in the State of Texas that are:

- (i) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- (ii) secured by obligations of the type described in Section 2256.010(a)(2), Texas Government Code, as amended, or
- (iii) secured in accordance with Chapter 2257, Texas Government Code, as amended, or in any other manner and amount provided by law for deposits of the District pursuant to a Public Funds Depositor Collateral Security Agreement approved and executed by the District; and

(2) Certificates of deposit that are acquired in the manner described in Section 2256.010(b), Texas Government Code, as amended; provided, however, that each investment of District funds in the foregoing shall require specific prior approval by the Board of Directors;

G. Commercial paper with a stated maturity of 365 days or fewer from the date of issuance which meets the requirements set forth in Section 2256.013, Texas Government Code, as amended;

H. No-load money market mutual funds that:

(1) are registered with and regulated by the Securities and Exchange Commission;

(2) provide the District with a prospectus and other information required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);

(3) comply with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 *et seq.*);

I. Investment pools which meet the requirements set forth in Section 2256.016 and Section 2256.019, Texas Government Code, as amended;

J. No-load mutual funds that:

(1) are registered with the Securities and Exchange Commission;

(2) have an average weighted maturity of less than two (2) years; and

(3) either:

- a. have a duration of one (1) year or more and are invested exclusively in obligations approved by Subchapter A. of the Public Funds Investment Act; or
- b. have a duration of less than (1) year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities;

K. Banker's acceptances with a stated maturity of 270 days or fewer from the date of issuance which meet the requirements set forth in Section 2256.012, Texas Government Code, as amended;

L. Fully collateralized repurchase agreements meeting the requirements set forth in Section 2256.011, Texas Government Code, as amended, provided that the maximum maturity of same shall not exceed seven (7) days;

M. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, provided that the obligation is not:

(1) an obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

(2) an obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(3) a collateralized mortgage obligation that has a stated final maturity date of greater than ten (10) years; or

(4) a collateralized mortgage obligation the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 7. Investment Strategies. District investments shall be made upon the evaluation of the specific investment objectives and strategies of each account of the District, with the primary objective for the selection of any District investment being the understanding of the suitability of such investment to the financial requirements of the District. The District's investment strategy for each of its accounts is as follows:

A. Operating/General Account. The operating/general account is used for all operations and maintenance needs of the District and funds therein shall be invested to meet the operating and cash flow requirements of the District as determined by the District's Board of Directors. The highest priorities for this account are the liquidity and marketability of an investment if the need arises to liquidate the investment before its maturity. Of equal importance is the preservation and safety of the principal of investments in the operating account. When these priorities are met, the yield on investments held in the operating/general account will next be considered.

B. Debt Service/Bond Fund Account. The District's debt service/bond fund account is used to pay the District's debt service on its outstanding bonds. The highest priority for this account is the preservation and safety of principal. Since the District knows the amount of its debt service requirements and when it becomes due, investments for the debt service/bond fund account should be structured to coincide with the amount and timing of the debt service requirements. When the preservation and safety of principal and liquidity considerations for debt service purposes are assured, including the marketability of debt service/bond fund account investments in the event the need arises to liquidate an investment before its maturity, the yield on debt service/bond fund account investments should be considered. Since the amount of District funds in the debt service/bond fund account can be significant, diversification of the debt service/bond fund account investment portfolio may be necessary. The District may easily liquidate investments in an investment pool and therefore such investments may be appropriate in combination with longer term investments in the debt service/bond fund account.

C. Capital Projects/Construction Fund Account. The capital projects/construction fund account is used to pay for capital improvements of the District. The highest priority for this account is the preservation and safety of principal. In the event that funds held in the capital projects/construction fund account are for particular improvement projects that have been previously identified by the District's Board of Directors, the Board will have an idea of the approximate time when disbursements will be required to be made from this account. In this situation, investments in the capital projects/construction fund account should be structured so that they mature or can be liquidated on or about the dates that disbursements are expected to be made. Once the

safety of principal and liquidity and marketability of capital projects/construction fund account investments which are to match certain disbursement dates are assured, the yield on such investments may be considered. Since District funds in the capital projects/construction fund account may not be needed for a year or more, longer term instruments should be considered to increase yield. However, if funds available in the District's capital projects/construction fund account are surplus construction funds from prior bond issues or interest earnings on such funds and are not earmarked for specific improvement projects, but rather viewed by the District's Board of Directors as an emergency reserve fund for major repairs or rehabilitation projects, investments in the capital projects/construction fund account, at least to the extent that they are for emergency reserve purposes, should be kept in relatively short term investments that can be easily marketed and liquidated if necessary, such as investment pools. Alternatively, bond proceeds that may be deposited in the District's capital projects/construction fund account for reimbursement to a developer and which may be in the capital projects/construction fund account for only one or two days, should be kept in the most liquid investment available. Investment diversification for large amounts of District funds that may be deposited into the capital projects/construction fund account for only one or two days may be achieved through the use of an investment pool. Since investment pools are short term in nature, they would normally be used for District funds in this account only if the District knows that it will be dispersing funds in a relative short period of time. However, on some occasions the yield on investment pools is higher than on longer term investments, so their use may be optimal for funds in the capital projects/construction fund account.

Section 8. Miscellaneous.

A. In the event of any conflict or inconsistency between the terms of this Investment Policy and applicable requirements of law, such conflict or inconsistency will be resolved in favor of the more restrictive of this Investment Policy or the applicable requirements of law. In the event of any ambiguity or uncertainty as to the intent and application of any part, section, paragraph or provision hereof, a written request for clarification or approval of a proposed action describing such circumstances shall be submitted to the Board of Directors for a decision as to a proper course of action.

B. The rules, regulations and policies set forth herein shall be and remain in full force and effect unless and until amended, revised, rescinded or repealed by action of the Board of Directors. The District's Board of Directors specifically reserves the right to change, alter or amend any provision of this Investment Policy at any time.

C. The provisions of this Investment Policy are severable, and if any provision or part of this Investment Policy or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Investment Policy and the application of such provision or part of this Investment Policy shall not be affected thereby.

The President or Vice President is authorized to execute and the Secretary or Assistant Secretary to attest this Investment Policy on behalf of the Board and the District.

PASSED AND ADOPTED this the 11th day of September, 2025.

HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 36, OF HARRIS COUNTY,
TEXAS

ATTEST:

By: _____

Secretary,
Board of Directors

By: _____

President,
Board of Directors



EXHIBIT "A"

CERTIFICATE OF COMPLIANCE FROM SELLERS OF INVESTMENTS
AS REQUIRED BY THE PUBLIC FUNDS INVESTMENT ACT

To: Harris County Municipal Utility District No. 36, of
Harris County, Texas (the "District")

From: _____
[Name of the person offering or the "qualified representative" of the business organization offering to engage in an investment transaction with the District or of the District's Investment Manager] [Title of such person]

of _____ (the "Business Organization")
[Name of financial institution, business organization or investment pool]

Date: _____, 20____

In accordance with the provisions of the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, I hereby certify that:

1. I am an individual offering to enter into an investment transaction with the District or a "qualified representative" of the Business Organization offering to enter into an investment transaction with the District, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "Seller"), and that Seller meets all requirements under such Act to execute this Certificate.

2. The Business Organization is an investment pool or an investment management firm under contract with the District to invest or manage the District's investment portfolio that has accepted authority from the District to exercise investment discretion in regard to the District's funds.

3. Seller anticipates selling to the District investments that are authorized by the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, dated September 11, 2025 (the "Investment Policy") and the Public Funds Investment Act (collectively, the "Investments").

4. I or a registered investment professional that services the District's account, as applicable, have received and reviewed the District's Investment Policy now in full force and effect. The District has further acknowledged that Seller may rely upon the Investment Policy

until the District provides Seller with any amendments to or any newly adopted form of the Investment Policy.

5. Seller has implemented reasonable procedures and controls in an effort to preclude investment transactions between the District and Seller that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of the District's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the District that are not made through accounts or other contractual arrangements over which the Business Organization has accepted discretionary investment authority.

6. Seller has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to the District and has determined or will determine, prior to sale, that (i) each of the Investments is an authorized investment for local governments under the Public Funds Investment Act and (ii) each of the Investments is an authorized investment under the District's Investment Policy.

7. Seller acknowledges that the District has disclosed and hereby discloses that certain funds within the custody of the District which may be deposited or invested with Seller are by law or under a bond indenture required to be set aside to discharge a debt owed to the holder(s) of the District's outstanding notes and/or bonds. As such, these funds shall be deemed to be a deposit by a trustee of trust funds of which the holder(s) are pro rata beneficiaries in accordance with 12 C.F.R. §330.15(c). Such funds held in trust for the holder(s) of the District's notes and bonds are deposited within the account(s) titled "Bond Fund", "Bond Account", "Debt Service Fund", "Debt Service Account", "Interest and Sinking Fund", "Interest and Sinking Account", or other similar name sufficient to satisfy the requirements of 12 C.F.R. §330.5(b) indicating that such funds are pledged towards the payment of principal and interest on the District's bonds and notes. Seller further acknowledges that the District may be acting in a fiduciary capacity on behalf of certain persons or entities who may, in turn, be acting in a fiduciary capacity for subsequent purchasers and/or holders of the District's outstanding bonds and notes.

8. Seller will continuously maintain an executed copy of this Certificate of Compliance in its "deposit account records" (as defined in 12 C.F.R. §330.1(e)) for so long as Seller holds any funds of or within the custody of the District.

By: _____

Name: _____

Title: _____

******FOR USE WITH ALL BANKS, NO EXCEPTIONS******

EXHIBIT "B"

PUBLIC FUNDS DEPOSITOR
COLLATERAL SECURITY AGREEMENT

This Public Funds Depositor Collateral Security Agreement (this "Agreement") is made and entered into as of the ____ day of _____, 20____ by and between HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY, TEXAS (the "Depositor") and _____ ("Bank"), and any prior Agreement between Depositor and Bank relative to the subject matter hereof is hereby terminated as of the date first written above.

RECITALS

Depositor, through action of its Board of Directors, has designated Bank as a depository for Depositor's funds. Funds on deposit with Bank to the credit of Depositor in excess of federal deposit insurance are required to be secured by eligible security as provided for by the Public Funds Collateral Act, V.T.C.A. Government Code Section 2257.001 et seq. (the "Public Funds Law"). Depositor and Bank understand and acknowledge that the amount of Depositor's uninsured deposits in Bank may vary substantially from time to time; that under the circumstances permitted herein, the Bank may release, add to or substitute for the securities pledged by Bank from time to time to secure such uninsured deposits of Depositor; and that it is the intent of the parties that this Agreement be renewed and extended upon and at the time of each permitted release, addition or substitution of collateral securities and thereafter remain in force and effect for the full term thereof until terminated in the manner set forth herein. In order to perfect Depositor's security interest in eligible securities pledged by Bank from time to time to secure such uninsured deposits, the Board of Directors of the Bank (the "Bank Board") has authorized the undersigned Bank officer to enter into this Agreement on behalf of Bank under the terms of which Bank will [either (i) cause _____, a [state or national bank], which has its main office or a branch office in Texas and which has been designated by the State Comptroller as a Texas State Depository to hold the collateral assets in a custody account as bailee for the benefit of Depositor, or (ii)] cause the Federal Reserve Bank or a federal home loan bank ("FHLB") to hold the collateral assets in a restricted securities account, joint safekeeping account or other similar account as custodian/bailee for the benefit of Depositor (such [bank or] FHLB or the Federal Reserve Bank, as the case may be, hereinafter called the "Custodian").

AGREEMENT

Now, Therefore, in consideration of the mutual covenants in this Agreement, the parties agree as follows:

1. Grant of Security Interest. To secure the uninsured deposits maintained by Depositor with Bank from time to time, Bank hereby pledges and grants to Depositor a security interest in its Eligible Securities (as defined in the Public Funds Law) which are held, now or hereafter, by Custodian for the benefit of Depositor in accordance with the terms of this Agreement (the "Collateral"). At all times during the term of this Agreement, the Collateral shall consist solely of the following:

general obligations of the United States of America or its agencies or instrumentalities backed by its full faith and credit;

direct obligations of the State of Texas or Texas State agencies and instrumentalities;

collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States of America, the underlying security for which is guaranteed by an agency or instrumentality of the United States of America;

other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States of America or their respective agencies and instrumentalities;

obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

fixed-rate collateralized mortgage obligations that have an expected weighted average life of 10 years or less and which do not constitute a high-risk mortgage security as defined in the Public Funds Law;

floating-rate collateralized mortgage obligations that do not constitute a high-risk mortgage security as defined in the Public Funds Law; and

letters of credit issued by a federal home loan bank.

Bank shall cause Custodian to accept and hold the Collateral as bailee and/or custodian for Depositor to secure Bank's obligation to repay the deposits.

2. Receipts. The Collateral held by Custodian for the benefit of Depositor, as of the effective date of this Agreement, has been described on Trust Receipts (as defined in the Public Funds Law) issued by Custodian, copies of which Custodian has forwarded to Depositor, and such current Collateral is described on Exhibit "A" attached hereto and made a part hereof for all purposes. With respect to additional or substitute Collateral hereafter delivered by Bank to Custodian to hold for the benefit of Depositor, or any releases of securities previously held as Collateral ("Releases"), as contemplated by this Agreement, Bank shall cause Custodian to issue Trust Receipts or Releases describing such additional or substitute Collateral or released securities and promptly forward copies of same to Depositor. Such Trust Receipts and Releases which are furnished to Depositor by Custodian from time to time shall be deemed a part of this Agreement without further action on the part of any party hereto, and this Agreement shall apply to such

released, additional or substitute Collateral to the same extent as if it were described on Exhibit "A" attached hereto. If the Custodian is the Federal Reserve Bank, such Trust Receipts or Releases will consist of a written confirmation (the "Advice"). Such Advice shall be subject to the terms and conditions of all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may now exist or hereafter be enacted, promulgated or issued by the Federal Reserve Bank (collectively "Applicable Regulations"). If the Custodian is the Federal Home Loan Bank of Dallas ("FHLB Dallas"), notwithstanding the foregoing, such Trust Receipts may be forwarded to Bank with instructions for Bank to immediately forward the same to Depositor. Bank hereby agrees to comply with Custodian's instructions and forward each Trust Receipt to Depositor immediately upon receipt of same. Upon request of Depositor, Bank agrees to provide or cause Custodian to provide a then-current list of all Collateral pledged by Bank to secure Depositor's funds to update Exhibit "A" to this Agreement. If the Custodian is FHLB Dallas and the Custodian is forwarding Trust Receipts to Bank, Depositor may, at any time and from time to time, request that FHLB Dallas provide one or more Trust Receipts directly to Depositor, and FHLB Dallas shall as soon as possible, but in no event later than three (3) business days from its receipt of the request, so provide the requested Trust Receipts to the Depositor, at no cost to the Depositor.

3. Required Collateral Value. Bank agrees with Depositor that the total market value of the Collateral securing uninsured deposits maintained by Depositor with Bank will at all times during the term of the Agreement be not less than (i) one hundred ten percent (110%) of the amount of such uninsured deposits, if the determination of the market value of Collateral is calculated less frequently than weekly by Bank, or (ii) one hundred five percent (105%) of the amount of such uninsured deposits if the determination of the market value of Collateral is calculated at least weekly by Bank (the "Required Collateral Value"). To insure that the Required Collateral Value is maintained, Bank will redetermine, on a daily basis, the amount of Depositor's uninsured deposits (taking into account that day's deposits, accrued interest, disbursements and withdrawals) held by Bank and (using the most recently determined market value of the Collateral) promptly add any additional Collateral which may be necessary to maintain the Required Collateral Value by either (i) depositing with Custodian for the purposes of this Agreement any additional Collateral or (ii) if the Custodian is the Federal Reserve Bank, transferring additional Collateral to a restricted securities account, joint safekeeping account or other similar account maintained by the Federal Reserve Bank. **Determination of the market value of Collateral by Bank will be calculated periodically as indicated by Bank on the signature page hereof or more frequently on Depositor's request;** provided, however, the foregoing shall not relieve Bank of its obligation to fully collateralize at all times the Depositor's uninsured deposits with Bank. If upon the periodic determination of the Collateral's market value as set forth herein, the Required Collateral Value is not then maintained, Bank will promptly deposit with Custodian for the purposes of this Agreement additional Collateral necessary to maintain the Required Collateral Value.

4. Release of Collateral. Custodian shall not release any part of the Collateral without Depositor's written authorization. Depositor agrees to furnish such authorization promptly upon Bank's request under the circumstances described in Sections 5, 6, or 8 of this Agreement. Depositor's authorization to Custodian to release from the Collateral only designated Eligible Securities shall terminate the security interest granted by Bank in this Agreement only with respect to such designated Eligible Securities. If the Custodian is the Federal Reserve Bank, this section

shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the release of Collateral.

5. Substitution of Collateral. It is hereby agreed that upon obtaining the prior written consent of the Depositor, which consent shall not be unreasonably withheld, substitutions of the Collateral held hereunder may be made at any time so long as the fair market value of the Eligible Securities being substituted is at least equal to the fair market value of the Eligible Securities being removed. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the substitution of Collateral.

6. Excess Collateral. At such times as the aggregate market value of the Collateral held by Custodian exceeds the Required Collateral Value, Depositor, upon request by Bank, shall authorize Custodian to permit Bank to release the excess portion of the Collateral. Custodian shall have no further liability to Depositor with respect to those Eligible Securities released upon Depositor's authorization.

7. Additional Collateral. If at any time the aggregate market value of Collateral held by Custodian is less than the Required Collateral Value, Bank shall immediately upon learning of such circumstance, and without further action by Depositor, promptly either (i) deposit with Custodian sufficient additional Eligible Securities of the type specified in Section 1 as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value, or (ii) transfer additional Eligible Securities of the type specified in Section 1 to the restricted securities account, joint safekeeping account or other similar account maintained by the Federal Reserve Bank as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value and cause the Federal Reserve Bank to issue a corresponding Advice (and Bank will deposit with the Federal Reserve Bank additional Eligible Securities if and to the extent necessary to fulfill its obligations under this Agreement).

8. Earnings and Payments on Collateral. Bank shall be entitled to the interest income and earnings paid on the Collateral and Custodian may dispose of such interest income and earnings as directed by Bank without approval of Depositor, so long as Depositor has not notified Custodian of Bank's default under this Agreement. Bank shall not be entitled to and Custodian shall not release to Bank any partial or full call of the Collateral without Depositor's prior written authorization as described in Section 4 of this Agreement. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the disposition of interest earnings and principal payments on the Collateral.

9. Default and Remedies. If Bank fails at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit or becomes insolvent or materially breaches its contract with Depositor, a default shall exist under this Agreement and Depositor shall give written notice of such default to Bank, and Bank shall have ten (10) days to cure same. In the event Bank fails to do so, it shall be the duty of Custodian, upon written demand of Depositor, to surrender or transfer the Collateral to Depositor or Depositor's nominee and Bank hereby irrevocably authorizes Custodian to surrender or transfer the Collateral upon the conditions herein specified. Depositor may sell all or any part of such Collateral in a commercially reasonable

manner and out of the proceeds of the Collateral may pay Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency sale. Depositor shall account to Bank for the remainder, if any, of said proceeds or Collateral remaining unsold. Such sale may be either at public or private sale; provided, however, Depositor shall give Bank ten (10) days' written notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder for cash. Depositor and Bank shall have the right to bid at such sale. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the Depositor's exercise of remedies against the Collateral.

10. Authorization and Records. The Bank Board has authorized the pledge of Bank assets to collateralize uninsured deposits maintained by Depositor pursuant to resolutions substantially in the form of Annex I attached to the form of Resolution Certificate and Certificate of Incumbency attached hereto as Exhibit "B" (the "Resolution Certificate"), and has authorized the undersigned Bank officer to enter into, execute and deliver to Depositor this Agreement on behalf of Bank and to take all action which may be necessary or appropriate to create and perfect the security interest in the Collateral contemplated hereunder. Bank shall deliver to Depositor a fully executed Resolution Certificate as a condition precedent to the effectiveness of this Agreement and shall advise Depositor immediately of any revocation, amendment or modification thereof. Bank acknowledges that the Depositor has disclosed and hereby discloses that certain funds within the custody of the Depositor which may be deposited or invested with Bank are by law or under a bond indenture required to be set aside to discharge a debt owed to the holder(s) of the Depositor's outstanding notes and/or bonds. As such, these funds shall be deemed to be a deposit by a trustee of trust funds of which the holder(s) are pro rata beneficiaries in accordance with 12 C.F.R. §330.15(c). Such funds held in trust for the holder(s) of the Depositor's notes and bonds are deposited within the account(s) titled "Bond Fund", "Bond Account", "Debt Service Fund", "Debt Service Account", "Interest and Sinking Fund", "Interest and Sinking Account", or other similar name sufficient to satisfy the requirements of 12 C.F.R. §330.5(b) indicating that such funds are pledged towards the payment of principal and interest on the Depositor's bonds and notes. Bank further acknowledges that the Depositor may be acting in a fiduciary capacity on behalf of certain persons or entities who may, in turn, be acting in a fiduciary capacity for subsequent purchasers and/or holders of the Depositor's outstanding bonds and notes. Bank shall continuously maintain an executed copy of this Agreement, its copies of all Trust Receipts, Releases and Advices, and the Resolution Certificate among its official "deposit account records" (as defined in 12 C.F.R. §330.1(e)) until such time as this Agreement is terminated and all uninsured deposits of Depositor have been properly and fully paid out. This Agreement may be executed in one or more counterparts, each of which shall be an original.

11. Authorized Representative; Depositor Agreements. The Depositor hereby confirms that it has previously authorized its Investment Officer and/or Tax Assessor-Collector to execute this Agreement and any documentation required in connection therewith, including specifically pursuant to the Applicable Regulations and documentation related thereto, and to represent it and act on its behalf in any and all matters of every kind arising under this Agreement. During the term of this Agreement, the Depositor may further designate an additional officer or officers to singly or jointly represent and act on behalf of Depositor in any and all matters of every kind arising under this Agreement and, in such event, shall provide written notice thereof to Bank.

In the event of any conflict between the provisions of this Agreement and any other agreement between the Depositor and the Bank relating to the deposits, this Agreement will control, unless the conflict is with the Applicable Regulations, in which event the Applicable Regulations will control. Bank and Depositor specifically agree that Depositor's prior approval is required for any par-for-par Collateral substitutions.

12. Custodian as Bailee. Custodian will promptly identify the pledge by Bank to Depositor of the Collateral on the Custodian's books and records and any additional or substitute Collateral and issue to Bank and Depositor Trust Receipts covering the Collateral. Similarly, Custodian will promptly remove from its books and records any securities released from the pledge by Bank in compliance with the terms of this Agreement and issue to Bank and Depositor appropriate Releases identifying the released securities. Custodian acknowledges that it is the bailee of Depositor for purposes of Section 2257.044 of the Public Funds Law, and its custodial capacity is deemed to be set forth on any Trust Receipt delivered to Bank and Depositor, whether such capacity is expressly so noted or not. If the Custodian is the Federal Reserve Bank, this section shall not apply, but Bank acknowledges the provisions of the Applicable Regulations which provide that the Federal Reserve Bank is acting as custodian/bailee; that the Collateral identified on the Advice is subject to the custodial provisions of the Applicable Regulations; and that the disposition thereof is subject to Depositor's approval.

13. Financial Condition. Bank will provide a statement of its financial position to the Depositor on at least a quarterly basis. Bank will provide to the Depositor an annual statement audited by its outside auditors including a statement by its outside auditors as to its "fair presentation."

14. Amendment, Modification, Renewal. Each permitted release of previously pledged Collateral and each addition to or permitted substitution for Collateral shall be deemed and considered, without further action by Bank or Depositor, as an amendment to Exhibit "A" attached hereto and a contemporaneous renewal and extension of this Agreement for the term hereinafter stated upon the same terms and containing the same provisions as set forth herein, except as the Collateral subject to this Agreement may be modified or amended thereby; provided, however, that any such renewal and extension shall not affect any transaction entered into prior to such renewal and extension until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank's sole control all Collateral then in Custodian's possession. Otherwise, this Agreement may not be amended or modified except by mutual written agreement of the parties hereto.

15. Term. Unless sooner terminated as hereinafter provided, the term of this Agreement, and any renewal or extension hereof resulting from any release, addition to or substitution of securities pledged as Collateral hereunder, shall commence on the date of this Agreement, or the date of such release, addition or substitution, and continue for a term of ten (10) years.

16. Termination. Either Depositor, Bank or Custodian may terminate this Agreement prior to the expiration of the term hereof upon thirty (30) days' advance written notice to the other parties or by entering into a new Public Funds Depositor Collateral Security Agreement which is intended to supersede and replace this Agreement; provided, however, that the terms of this

Agreement shall continue to apply to all transactions entered into prior to such termination and until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank's sole control all Collateral then in Custodian's possession.

17. Custodian Fees. Any and all fees associated with the Custodian's holding of Collateral for the benefit of the Depositor will be paid by Bank and the Depositor will have no liability therefor.

18. Representations. (a) Pursuant to Chapter 2271, Texas Government Code, as amended, Bank and Custodian each hereby verify, on behalf of themselves but not the other, that Bank and Custodian, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. The term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

(b) Pursuant to Chapter 2252, Texas Government Code, Bank and Custodian each hereby represent and certify, on behalf of themselves but not the other, that at the time of execution of this Agreement neither Bank nor Custodian, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

(c) Pursuant to Section 2276.002, Texas Government Code, as amended, Bank and Custodian each hereby verify, on behalf of themselves but not the other, that Bank and Custodian, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. The term "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

(d) Pursuant to Section 2274.002, Texas Government Code, as amended, Bank and Custodian each hereby verify, on behalf of themselves but not the other, that Bank and Custodian, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. The term "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, as amended.

(e) Bank acknowledges that the Depositor has disclosed and hereby discloses that certain funds within the custody of the Depositor which may be deposited or invested with Bank are by law or under a bond indenture required to be set aside to discharge a debt owed to the holder(s) of the Depositor's outstanding notes and/or bonds. As such, these funds shall be deemed to be a deposit by a trustee of trust funds of which the holder(s) are pro rata beneficiaries in accordance with 12 C.F.R. §330.15(c). Such funds held in trust for the holder(s) of the Depositor's notes and bonds are deposited within the account(s) titled "Bond Fund", "Bond Account", "Debt Service Fund", "Debt Service Account", "Interest and Sinking Fund", "Interest and Sinking Account", or other similar name sufficient to satisfy the requirements of 12 C.F.R. §330.5(b) indicating that

such funds are pledged towards the payment of principal and interest on the Depositor's bonds and notes. Bank further acknowledges that the Depositor may be acting in a fiduciary capacity on behalf of certain persons or entities who may, in turn, be acting in a fiduciary capacity for subsequent purchasers and/or holders of the Depositor's outstanding bonds and notes.

(f) Bank will continuously maintain an executed copy of this Agreement in its "deposit account records" (as defined in 12 C.F.R. §330.1(e)) for so long as Bank holds any funds of or within the custody of the Depositor.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Texas.

20. Parties in Interest. This Agreement shall be for the benefit of the Parties hereto and their legal successors and assigns and, except as may be provided in Section 10 hereof, shall not be construed to confer rights upon any other person.

[SIGNATURE PAGES FOLLOW]

In witness whereof, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day first above written.

DEPOSITOR:

Harris County Municipal Utility District No. 36, of Harris County, Texas

By:_____

Name:_____

Title:_____

Bank hereby agrees that it will periodically determine the market value of Collateral and maintain the corresponding Required Collateral Value throughout the term of this Agreement as indicated below (provided, however, that in the event no indication is made below, the Required Collateral Value for all purposes of this Agreement shall be 110%):

- | | | |
|--------------------------|---------------------------|-------------------|
| ☐ | Less frequent than weekly | No less than 110% |
| ☐ | Weekly | No less than 105% |

BANK:

By: _____

Name: _____

Title: _____

TEXAS ETHICS COMMISSION FORM 1295 COMPLIANCE

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

- ☐ IS A PUBLICLY TRADED BUSINESS ENTITY, OR A WHOLLY OWNED SUBSIDIARY OF A PUBLICLY TRADED BUSINESS ENTITY, AND A FORM 1295 IS NOT REQUIRED TO BE SUBMITTED TO THE DEPOSITOR PURSUANT TO SECTION 2252.908(c)(4), TEXAS GOVERNMENT CODE, AS AMENDED; OR
- ☐ SUBMITTED THE **ATTACHED** AND FOLLOWING FORM 1295 TO THE DEPOSITOR ON _____, 20____, WHICH IS THE TIME BUSINESS ENTITY SUBMITTED THE SIGNED AGREEMENT TO THE DEPOSITOR.

REPRESENTATIVE OF BUSINESS ENTITY

The Custodian, if other than the Federal Reserve Bank, joins in the execution of this Agreement for purposes of Sections 4, 8, 9, 12, 16, and 18, and if the Custodian is the Federal Reserve Bank, such joinder is to be evidenced as set forth in the Applicable Regulations, the Advice and any documentation related thereto.

CUSTODIAN:

By: _____

Name: _____

Title: _____

TEXAS ETHICS COMMISSION FORM 1295 COMPLIANCE

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

- ☐ IS A PUBLICLY TRADED BUSINESS ENTITY, OR A WHOLLY OWNED SUBSIDIARY OF A PUBLICLY TRADED BUSINESS ENTITY, AND A FORM 1295 IS NOT REQUIRED TO BE SUBMITTED TO THE DEPOSITOR PURSUANT TO SECTION 2252.908(c)(4), TEXAS GOVERNMENT CODE, AS AMENDED; OR
- ☐ SUBMITTED THE ATTACHED AND FOLLOWING FORM 1295 TO THE DEPOSITOR ON _____, 20__, WHICH IS THE TIME BUSINESS ENTITY SUBMITTED THE SIGNED AGREEMENT TO THE DEPOSITOR.

REPRESENTATIVE OF BUSINESS ENTITY

EXHIBIT "A"

[Description of Eligible Securities Pledged]

EXHIBIT "B"

RESOLUTION CERTIFICATE AND CERTIFICATE OF INCUMBENCY

OF _____ (the "BANK")

The undersigned hereby certifies as follows:

1. I am the officer of the Bank holding the title designated on the signature line of this Certificate.
2. Attached hereto as Annex I is a full, true and correct copy of resolutions (the "Resolutions") duly adopted by the [Board of Directors] [Loan Committee] of the Bank in conformity with the Articles of Association and By-laws of the Bank and in accordance with the laws of the State of Texas.
3. The Resolutions have not been amended, modified or rescinded, and are in full force and effect on the date hereof.
4. The Bank is duly organized and existing under the laws of _____.
5. All franchise and other taxes required to maintain the Bank's existence have been paid and none of such taxes are delinquent.
6. No proceedings are pending for the forfeiture of the Bank's authority to do business or for its dissolution, voluntarily or involuntarily.
7. The Bank is qualified to do business in each state where the nature of its business requires such qualification.
8. There is no provision in the Articles of Association, By-laws or any other agreement, indenture or contract to which the Bank or its property is subject which limits the

Resolutions, and the Resolutions are in conformity with the provision of the Bank's Articles of Association and By-laws and with proceedings of the Board of Directors.

9. This resolution is made in order to comply with requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and 12 U.S.C. 1823(e), and shall constitute a business record of the Bank and shall be continuously maintained in the official business records of Bank.

10. The undersigned officers have been duly elected to the positions set opposite their respective names below and are qualified to act in the present capacities in which they sign for the Bank.

11. The signatures appearing opposite each of the undersigned officers is his or her authentic signature and each of the undersigned holds the office designated for the same.

<u>Name</u>	<u>Office</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____

EXECUTED the _____ day of _____, 20____.

Name: _____
Title: [Secretary] [Recording Officer]

ANNEX I
RESOLUTIONS

RESOLVED, that this Bank shall secure all deposits of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District") in excess of amounts insured by the Federal Deposit Insurance Corporation ("Excess Funds") on deposit with the Bank at any time in whatever amount; and further

RESOLVED, in regard to the above referenced deposits, that the Chairman of the Board of Directors, President, any Executive Vice President, any Vice President, any Assistant Vice President, or any other officer of the Bank is hereby authorized and directed to execute for and on behalf of the Bank the following documents, it being further agreed that the execution of any of the same prior to the adoption of these resolutions is hereby ratified, confirmed and adopted:

1. A Public Funds Depositor Collateral Security Agreement (the "Collateral Security Agreement") in favor of the District, covering the Collateral described therein;
2. Such other and further documents as may be deemed necessary or desirable by such officer or as required by the District in regard to the securing of the Excess Funds; and further

RESOLVED, that the officers executing any of the above described documents are hereby authorized and empowered to do and perform any and all actions required by the terms and provisions of same to execute the same in the name and on behalf of the Bank, in such number of counterparts as the officer or officers executing the same shall deem necessary or desirable, with such terms, conditions, modifications, changes and provisions as the officer or officers executing the same may approve, the execution of such documents to evidence approval of the terms thereof conclusively; and further

RESOLVED, that any and all instruments executed and delivered on behalf of the Bank in connection with these resolutions by any person purporting to be an officer of the Bank shall be deemed to be the act of the Bank and shall be in all respects binding against the Bank; and further

RESOLVED, that all actions of all officers, agents or other representatives of the Bank taken or performed up to the date hereof in respect to the preparation, execution and delivery of the documents, certificates or other instruments contemplated hereby, and the taking prior to the date hereof of any and all actions otherwise required by the terms and provisions of the above referenced documents, be, and they hereby are, in all respects approved, ratified and confirmed; and further

RESOLVED, that this approval is intended to comply in all respects with the requirements of applicable statutory law relating to insurance of accounts including specifically, but without limitation, the requirements of 12 U.S.C.A. §§ 1821(d)(9)(A) and 1823(e); and further

RESOLVED, that any deposit agreements between Bank and District and/or the Collateral Security Agreement are all intended to be, and shall be deemed to be, official records of the Bank; and further

RESOLVED, that any deposit agreements between Bank and District, the Collateral Security Agreement and these Resolutions shall be continuously maintained in the business records of the Bank.

EXHIBIT "E"

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS AUTHORIZED
TO ENGAGE IN INVESTMENT TRANSACTIONS WITH
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY,
TEXAS

WHEREAS, HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY, TEXAS (the "District") is a body politic and corporate and a governmental agency of the State of Texas, operating under and governed by the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and Section 59 of Article XVI of the Texas Constitution; and

WHEREAS, Chapter 2256, Texas Government Code, as amended, requires that the Board of Directors of the District annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36, OF HARRIS COUNTY, TEXAS THAT:

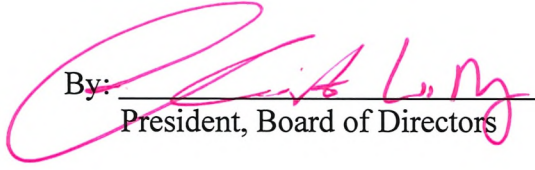
Section 1: The Board of Directors of the District hereby adopts the list of financial institutions, brokers and dealers attached hereto as Exhibit "A" as the list of qualified brokers that are authorized to engage in investment transactions with the District.

Section 2: The provisions of this Resolution shall be effective as of its date of approval by the Board of Directors and shall remain in effect until modified by action of the Board of Directors, and any resolution heretofore adopted by the Board of Directors adopting a list of qualified brokers that are authorized to engage in investment transactions with the District shall be and is hereby revoked as of the effective date of this Resolution.

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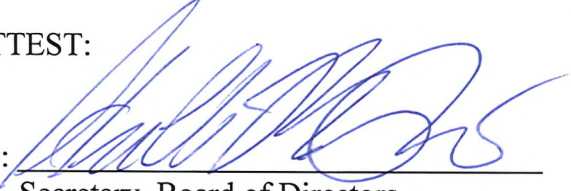
PASSED AND ADOPTED this 11th day of September, 2025.

HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 36, OF HARRIS COUNTY,
TEXAS

By: 

President, Board of Directors

ATTEST:

By: 

Secretary, Board of Directors



EXHIBIT "A"

LIST OF AUTHORIZED BROKERS

Amegy Bank, a division of Zions Bancorporation N.A.	Moody National Bank
Amerant Bank, N.A.	NewFirst National Bank
American Bank, N.A.	Origin Bank
American Bank of Commerce (ABC Bank)	PrimeBank of Texas
American National Bank of Texas	PlainsCapital Bank
Austin Bank	Plains State Bank
Austin Capital Bank SSB	PNC Bank / The PNC Financial Services Group, Inc.
b1Bank	Prosperity Bank
Bank of America N.A./B of A Securities	R Bank Texas
Bank of Brenham / Bank of B/CS (<u>Cadence Bank</u>)	RBC Capital Markets / RBC Investments
Bank of Houston, N.A.	Regions Bank
Bank of Texas, a division of BOKF, N.A.	<u>Rio Bank</u>
Bank OZK	Robert W. Baird & Company, Inc.
Beal Bank SSB / Beal Bank USA	Simmons Bank
Cadence Bank	<u>SouthState Bank, N.A.</u>
Capital Bank	Southside Bank
Capital One, N.A.	SouthStar Bank, SSB
Central Bank	Southwestern National Bank
Chasewood Bank	State Bank of Texas
Citibank N.A. / Citigroup, Inc.	Stellar Bank
Citizens State Bank (<u>Cadence Bank</u>)	Sunflower Bank, N.A.
Citizens State Bank of Somerville	Susser Bank
<u>City Bank</u>	Texas Capital Bank
Comerica Bank	Texas C.L.A.S.S.
Commercial State Bank	Texas Exchange Bank
East West Bank	Texas First Bank
Fayetteville Bank (<u>Cadence Bank</u>)	Texas Gulf Bank, N.A.
First Citizens Bank & Trust Company	Texas Regional Bank
First Financial Bank, N.A.	Texas Traditions Bank
First Horizon Bank, N.A.	Texas Range Investment Program (PFM Asset
First National Bank of Bastrop	Management LLC, a division of U.S. Bancorp Asset
First National Bank of Bellville (<u>Cadence Bank</u>)	Management)
First National Bank of Shiner (<u>Cadence Bank</u>)	TexPool / TexPool Prime (Federated Hermes, Inc.)
First National Bank Texas / First Convenience Bank	TexSTAR Investment Pool
<u>First State Bank of Texas</u>	The Bank of New York Mellon Trust Company, N.A.
First Texas Bank	The First State Bank
First United Bank	The MINT National Bank
Frontier Bank of Texas	TIB, N.A. (The Independent Bankers Bank)
Frost Bank	Third Coast Bank S.S.B.
Guaranty Bank & Trust, N.A.	Truist Financial Corporation
Gulf Capital Bank	Trustmark National Bank
Hancock Whitney Bank	UBank
Herring Bank	United Texas Bank
HomeTown Bank, N.A.	Unity National Bank
Home Bank	US Bank National Association
<u>Huntington Bank / Veritex Community Bank</u>	Vantage Bank Texas
<u>IntraFi LLC</u>	Veritex Community Bank
Independent Bank (d/b/a Independent Financial)	Wallis Bank
Industry State Bank (<u>Cadence Bank</u>)	Wells Fargo Bank, N.A.
International Bank of Commerce (IBC Bank)	WestStar Bank
JPMorgan Chase Bank, N.A.	Woodforest National Bank
LOGIC (Local Gov't. Investment Cooperative)	
Lone Star Bank	
Lone Star Capital Bank	
Lone Star Investment Pool / First Public, LLC	
<u>MidFirst Bank</u>	

EXHIBIT "A"

LIST OF AUTHORIZED BROKERS

Amegy Bank, a division of Zions Bancorporation N.A.	PlainsCapital Bank
American Bank, N.A.	Plains State Bank
American Bank of Commerce (ABC Bank)	PNC Bank / The PNC Financial Services Group, Inc.
American National Bank of Texas	Prosperity Bank
Austin Bank	R Bank Texas
Austin Capital Bank SSB	Regions Bank
b1Bank	Rio Bank
Bank of America N.A./B of A Securities	Simmons Bank
Bank of Brenham / Bank of B/CS (Cadence Bank)	SouthState Bank, N.A.
Bank of Houston	Southside Bank
Bank of Texas, a division of BOKF, N.A.	SouthStar Bank, SSB
Bank OZK	Southwestern National Bank
Beal Bank SSB	State Bank of Texas
Cadence Bank	Stellar Bank
Capital Bank	Sunflower Bank, N.A.
Capital One	Susser Bank
Central Bank	Texas Capital Bank
Citibank N.A. / Citigroup, Inc.	Texas C.L.A.S.S.
Citizens State Bank (Cadence Bank)	Texas Exchange Bank
Citizens State Bank of Somerville	Texas First Bank
City Bank	Texas Gulf Bank, N.A.
Comerica Bank	Texas Regional Bank
Commercial State Bank	Texas Traditions Bank
East West Bank	Texas Range Investment Program
Fayetteville Bank (Cadence Bank)	TexPool / TexPool Prime
First Citizens Bank	TexSTAR Investment Pool
First Financial Bank	The Bank of New York Mellon Trust Company, N.A.
First Horizon Bank	The First State Bank
First National Bank of Bastrop	The MINT National Bank
First National Bank of Bellville (Cadence Bank)	TIB, N.A. (The Independent Bankers Bank)
First National Bank of Shiner (Cadence Bank)	Third Coast Bank
First National Bank Texas / First Convenience Bank	Truist Financial Corporation
First State Bank of Texas	Trustmark National Bank
First Texas Bank	UBank
First United Bank	Unity National Bank
Frontier Bank of Texas	US Bank National Association
Frost Bank	Vantage Bank Texas
Guaranty Bank & Trust, N.A.	
Gulf Capital Bank	Wallis Bank
Hancock Whitney Bank	Wells Fargo Bank, N.A.
Herring Bank	WestStar Bank
HomeTown Bank, N.A.	Woodforest National Bank
Home Bank	
Huntington Bank / Veritex Community Bank	
IntraFi LLC	
Industry State Bank (Cadence Bank)	
International Bank of Commerce (IBC Bank)	
JPMorgan Chase Bank, N.A.	
LOGIC (Local Gov't. Investment Cooperative)	
Lone Star Bank	
Lone Star Investment Pool / First Public, LLC	
MidFirst Bank	
Moody National Bank	
NewFirst National Bank	
Origin Bank	
PrimeBank of Texas	

EXHIBIT "F"

PERDUE, BRANDON, FIELDER, COLLINS & MOTT L.L.P.
DELINQUENT TAX REPORT

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT # 36

September 11, 2025

Suit Filed:

Account #		Property Owner and Property Address	Tax Year	Base Tax
1.	2219548	AXIAL LLC - Personal Property at 431 E AIRTEX DR Suit filed. A judgment was signed on 5/8/2025. The judgment is final. We have filed an abstract of judgment.	2023,2024	\$14,171.52
2.	2341313	WESLEY KRAKER ENTERPRISES - Personal Property at 14810 NORTH FWY Suit filed. A judgment was signed on 5/5/2025. The judgment is final. We will file an abstract of judgment and request a writ of execution.	2023-2024	\$4669.69
3.	1151470000039 1151470000037 1151470000009	AQIL MOHD JAMAL - CENTURY PLAZA DR; WOODHAM DR Suit filed. A judgment was signed on 04/14/2025. The judgment is final. Sold at tax sale 9/2/25, it will take 60-90 days to get the proceeds.	2019-2024	\$1,930.50
4.	2084754 2084754 2156268 2179576 2180547 2184892	JORGE ACOSTA MADRAZO - Personal Property at 20706 WHEATON CREEK CT; Personal Property at 20706 WHEATON CREEK CT; Personal Property at 20706 WHEATON CREEK CT; Personal Property at 20706 WHEATON CREEK CT JORGE ACOSTA MADRAZO - vehicle accounts at 20706 WHEATON CREEK CT We intervened in a suit filed by Aldine ISD; judgment was signed on 5/9/18. The judgment is final; an abstract of judgment has been filed. A writ of execution was sent to the constable for collection but the constable was unable to find any assets that could be seized. The 2018-2022 taxes (base tax of \$208.89) on account 2084754 & 2180547 are also delinquent but are not included in the suit because they were not delinquent at the time of judgment	2012,2013,2015-2022	\$1,006.40
5.	2363338	TEXAS ELITE EXOTICS LLC - Personal Property at 100 NORTH PARK CENTRAL DR Suit filed, awaiting service of citation.	2021-2023	\$71.04

Other Accounts:

Account #		Property Owner and Property Address	Tax Year	Base Tax
1	1325820010002	JOHN HENRYS FOOD PRODUCTS INC - 603 CENTURY PLAZA DR They have a current payment agreement.	2024	\$2,897.89
2.	2357699	HOUSTON TENTS & EVENTS LLC - Personal Property at 14820 NORTH FWY Late assessment.	2024	\$682.22
3	1016218	CHEP USA - Personal Property at IN HARRIS COUNTY TEXAS Late assessment.	2024	\$568.89
4.	2416553	MCDONALD'S RESTAURANT #2012 - Personal Property at 122 E RICHEY RD Late assessment.	2024	\$545.95

Report covers accounts over \$500 in base tax and all accounts in suit.

Report frequency: Quarterly

Date of last report: June 12, 2025

EXHIBIT "G"

MOC | Municipal Operations & Consulting, Inc.

MONTHLY OPERATIONS REPORT FOR HARRIS COUNTY M.U.D. No. 36

July, 2025

REVENUE

Water	Sewer	Swr. Srch.	GRP Fees	Tap Fee	Insp.	Penalty	Deposits	Bldr. Dmg.	Misc.	TOTAL
\$ 27,127.95	\$ 20,968.75	\$ 864.35	\$ 21,484.00	\$ -	\$ 900.00	\$ 599.32	\$ 300.00	\$ -	\$ 1,300.89	\$ 73,545.26

Connections: 349
Vacant: 32
Garbage: 185

WATER

06/24/25 - 07/24/25

HGCSD Permit

Gallons pumped from Well No.1	12,213,000	Permit Expires:	01/31/2026
Gallons used thru Interconnect (HC 221)	0	Permitted Withdrawal:	115,000,000 Aggregate C of H
Total Pumpage + Interconnect	12,213,000	July Withdrawal:	12,798,000
Total amount billed to customers	11,123,000	Y-T-D Withdrawal:	65,661,000
Leaks, Construction, Flushing	180,000		
Gallons supplied through interconnect	0		
Pumped vs. Accounted	93%		
No. leaks repaired in District	0		

Notes:

	# Taken	Results
Bacteriological samples:	3	Good

WASTEWATER TREATMENT PLANT

T.C.E.Q. Permit Number: TX0084085
Permit expiration date: April 28, 2028

	July, 2025		Measured by:
Average daily flow	189,000	Permitted Daily Flow	400,000 gal.per day
Average CBOD	2.44	Permitted CBOD	10 lbs/day
Average Total Suspended Solids	2.1	Permitted T.S.S.	15 mg/l
Average Ammonia Nitrogen	0.1	Permitted Ammonia Nitrogen	3 mg/l
Average PH	6.75	Permitted PH	6.00 - 9.00 STD UNIT
Average Dissolved Oxygen	6.2	Permitted Dissolved Oxygen Min	4.0 mg/l
Maximum Chlorine Residual	3.97	Permitted Chlorine Maximum	4.0 mg/l
Minimum Chlorine Residual	1.73	Permitted Chlorine Minimum	1.0 mg/l
Average E. Coli	5	Permitted E. Coli	63 mpn

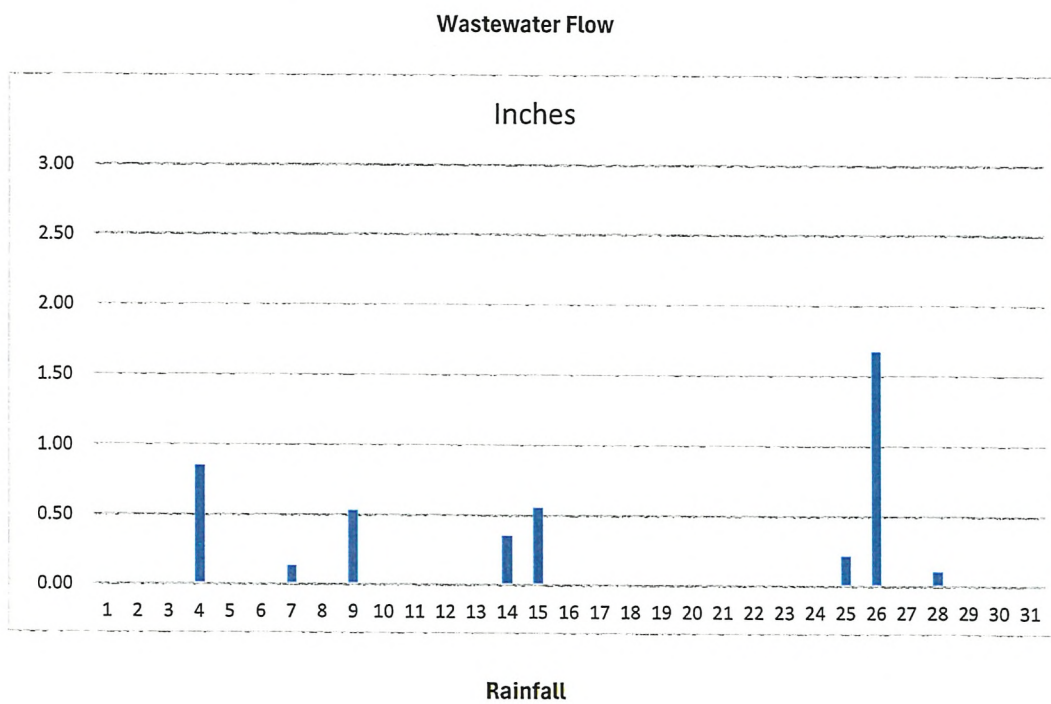
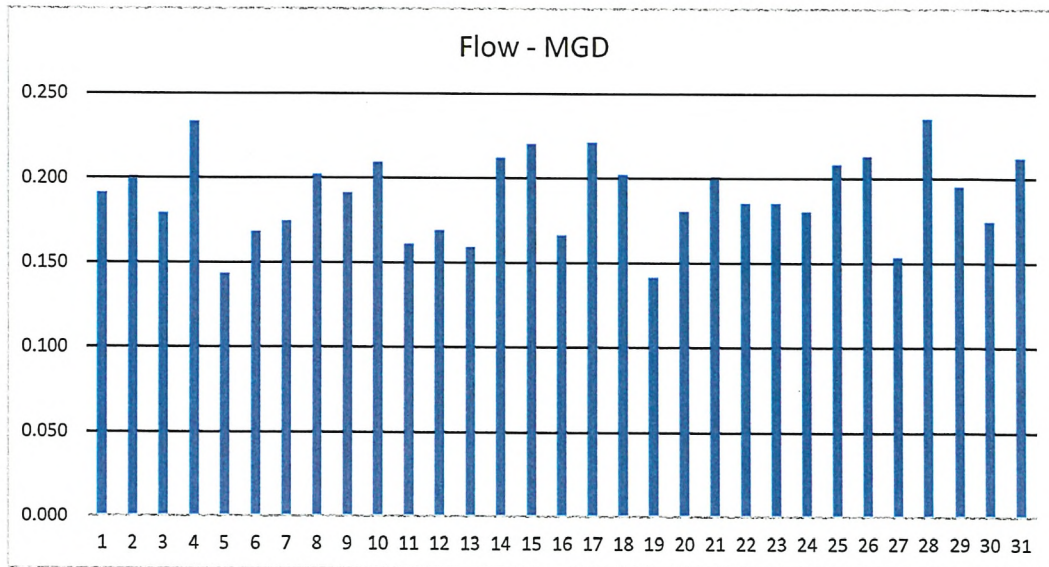
Sewer Treatment plant is currently operating at 47% of the permitted capacity.

	<u>Taps/Month</u>	<u>Taps/Year</u>					
	0	0					
BILLING STATUS:	<u>Current</u>	<u>30 day</u>	<u>60 day</u>	<u>90 day</u>	<u>120 day</u>	<u>Total</u>	
App Fee	\$ -	\$ 200.00	\$ -	\$ -	\$ -	\$ 200.00	
GRP Fees	\$ 20,453.60	\$ 1,696.80	\$ 224.05	\$ 37.68	\$ 53.65	\$ 22,465.78	
Del. Letter	\$ -	\$ 85.00	\$ 42.14	\$ 5.00	\$ 25.00	\$ 157.14	
Deposits	\$ -	\$ 600.00	\$ -	\$ -	\$ -	\$ 600.00	
Disconn.	\$ -	\$ -	\$ 45.00	\$ -	\$ 25.75	\$ 70.75	
Door Hanger	\$ -	\$ 156.59	\$ 20.00	\$ 20.00	\$ 20.00	\$ 216.59	
Inspections	\$ 975.00	\$ 75.00	\$ -	\$ -	\$ -	\$ 1,050.00	
Ind. Surcharge	\$ 1,855.78	\$ 261.50	\$ -	\$ -	\$ -	\$ 2,117.28	
Meter Rental	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ 100.00	
Misc.	\$ -	\$ -	\$ -	\$ -	\$ 67.43	\$ 67.43	
NSF	\$ -	\$ 60.00	\$ -	\$ -	\$ -	\$ 60.00	
Penalty	\$ -	\$ 1,050.37	\$ 61.69	\$ 7.21	\$ 54.01	\$ 1,173.28	
Pulled Meter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sewer	\$ 20,761.36	\$ 2,678.58	\$ 436.23	\$ 2.96	\$ 142.02	\$ 24,021.15	
Tap Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TCEQ	\$ 238.25	\$ 26.04	\$ 5.12	\$ 0.63	\$ 1.86	\$ 271.90	
Water	\$ 26,838.85	\$ 2,268.30	\$ 373.86	\$ 21.00	\$ 208.60	\$ 29,710.61	
Overpayments	\$ -	\$ (1,662.86)	\$ -	\$ -	\$ -	\$ (1,662.86)	
TOTAL	\$ 71,222.84	\$ 7,495.32	\$ 1,208.09	\$ 94.48	\$ 598.32	\$ 80,619.05	

Municipal Operations and Consulting, Inc.

Harris County Municipal Utility District No. 36

Wastewater Flow Vs. Rainfall Report - July



Harris County MUD No. 36**SEWER SURCHARGE**

$$C=Q[.50+.0034(BOD-200)+.0125(NH3N-25)+.0009(SS-200)]$$

<u>Customer</u>	<u>Account No.</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>BOD</u>	<u>TSS</u>	<u>NH3N</u>	<u>Usage x 1000</u>
Pappasitos	483201	\$ 239.00	\$ 214.00	\$ 261.50	\$ 507.30	427	208	25	338.0
Airtex Valero	483221	\$ 77.50	\$ 78.00	\$ 78.00	\$ 78.00	200	200	25	6.0
King Cheesecake	483192	\$ 79.27	\$ 75.58	\$ 76.00	\$ 76.79	546	320	25	1.0
China Bear	483268	\$ 370.00	\$ 287.50	\$ 396.00	\$ 440.00	200	200	25	730.0
La Michoacana	483947	\$ 189.49	\$ 112.00	\$ 112.50	\$ 151.40	337	413	25	66.0
C&S Wholesale Grocers, Inc	483935	\$ 297.55	\$ 1,004.49	\$ -	\$ 366.37	370	370	49	190.0
Imperial Diamond Retail Center	483942	\$ 148.33	\$ 86.19	\$ 97.31	\$ 108.48	481	200	25	23.0
Grand Total		\$ 1,401.14	\$ 1,857.76	\$ 1,021.31	\$ 1,728.34				

HARRIS COUNTY MUD #36

Uncollectable accounts to be presented at the September, 2025 meeting

No.	Account No.	Amount	Final Date	Comments	Owner
1)	624569	\$35.75	6/30/2025	Nvr pd final bills, bal after dep applied.	No
2)	483747	\$295.48	6/27/2025	Del notice sent, C/O for non pmt, nvr pd final bills, bal after dep applied.	No
TOTAL		<u>\$331.23</u>			

EXHIBIT "H"



September 11, 2025

Board of Directors
Harris County Municipal Utility District No. 36
c/o Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 1400
Houston, Texas 77056

Reference: District Engineer's Status Report; IDS No. 180-013-ESR

Members of the Board:

The status of various projects in the District is as follows:

1. Water Distribution System Replacement

Plans were submitted to City of Houston, Harris County Engineering Department (HCED), and Harris County Flood Control District (HCFCD) for review on March 10. To date, we have received approval from HCFCD and review comments from the City of Houston and HCED. We have also obtained approval from AT&T and CenterPoint Energy (both required by the City). We are finalizing our revisions to the plans at this time prior to resubmittal to the city and county.

Based upon the last review by the City, we have also determined that a few new water line easements will be required due to conflicts with existing utilities and limited space in a few areas.

2. Water Plant - Fence Replacement

The project is generally complete. The final walkthrough occurred on August 12 and the punch list items are being addressed by Aber.

Attached, for the Board's review and approval, is Pay Application No. 1, in the amount of \$291,572.10.

ACTION – Approve Pay Application No.1

3. City of Houston Surface Water Supply Line Connection

The District received a notice from the City of Houston stating the District will need to connect to the City's proposed surface water supply line by December 5, 2026. The City will be bringing a surface water transmission line to the north boundary of the District and has designated a proposed point of connection on Richey Road. This project will require preparation of construction plans to be approved by the City, HCED, and HCFCD.

We are proceeding with surveying and design of the project. Additionally, IDS and SPH met with Elly Vecchio of Phelps Dunbar to discuss the preliminary waterline route and the potential easements that would be necessary.

4. Water Plant – Conversion to Chloramine Disinfection

Receiving surface water from the city will also require that the disinfection system at the water plant be converted to chloramine disinfection. This project will require preparation of construction plans to be approved by the City, HCED, HCFCD, and TCEQ. We intend to include rerouting of the main electrical service, underground, from the existing pole transformers to the building as part of the project.

Engineering and design of the project is currently underway.

5. Detention Basin Rehabilitation

Engineering and design of the project is underway. We have completed the elevation and topographic survey for the Sycamore Bend Basin, the existing SWQ feature, and the existing drainage channel that drains the basin.

We are preparing two sets of plans: One plan set for the Sycamore Bend basin with a new SWQ feature (for HCFCD/HCED approval) and a second plan set for the maintenance work only in the Liberty, Northpark, and Sycamore basins.

6. Stormwater Quality Permit – Sycamore Bend Detention Basin

The permit renewal was approved. The current permit is valid through August 8, 2026.

7. Wastewater Treatment Plant TPDES Discharge Permit Renewal (Expires April 28, 2028)

The current permit is valid through April 28, 2028. No action needed at this time.

8. Utility Commitment Requests & Site Plan Reviews

We received a request from Roade Properties, LTD, for two office warehouse buildings (4,000 SF per building) at 20431 Imperial Valley Drive. Attached is a draft of the utility commitment letter for the Board's review.

ACTION – Approve Utility Commitment Letter

We are happy to answer any questions the Board may have.

Sincerely,



Eric D. Johnson, P.E.
Senior Vice President



Andrea R. Garza
Design Engineer

\\\\idseg.com\\FS\\Projects\\0100\\018001300 HCMUD 36 Gen Con\\ESR\\2025\\2025-09-11-HCMUD36-ESR .docx



September 4, 2025

Harris County Municipal Utility District No. 36
Municipal Accounts & Consulting, L.P.
1281 Brittmoore Road
Houston, Texas 77043

Attention: Ms. Kayla Krigger

Reference: Water Plant No. 1 Fence Replacement,
Harris County Municipal Utility District No. 36;
IDS Project No. 0180-062-00, Contract No. 1

Dear Ms. Krigger:

Enclosed is an Application and Certificate for Payment No. 1 for the above referenced project for the period of **August 1, 2025 to August 31, 2025**. As itemized in this estimate, we recommend payment to **Aber Fence Supply & Company** in the amount of **\$291,572.10** at this time.

As of August 31, 2025, the project was approximately 100% complete of the contract sum to date with 72 % of the contract time expended. A qualified project representative was assigned to the project to observe the work as it was being performed. To the best of my knowledge, all work has been performed in accordance with the construction plans and contract specifications.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Eric D. Johnson', is written over a light blue horizontal line.

Eric D. Johnson, P.E.
Senior Vice President

EDJ/smg \\idseg\fs\Projects\0100\018006200 HCMUD36 WP1 Fence Replacement\CPS\110 Pay Req\Pay Estimate Letter No. 1.docx

cc: Board of Directors, Harris County Municipal Utility District No. 36
c/o Cole Trollinger, Schwartz Page & Harding LLP
Aber Fence & Supply Company, Inc , Dan Sherer
Municipal Operations & Consulting LP, Keith Arrant / Ryan Vaughn
Ninyo & Moore, Philip Nekoranec / Jay Sunderwala
Andrea Garza / Kyle Malek / Fabio Garcia

APPLICATION AND CERTIFICATE FOR PAYMENT

PAGE ONE OF 1 PAGE 2

Project: Water Plant No. 1

Project Manager: Eric D. Johnson
Engineer: IDS Engineering Group

Project No.: 0180-062-00

Contractor: Aber Fence & Supply Co.

Owner: Harris County Municipal Utility District No. 36

Application Date: 8/18/2025 Application No.: 1

Notice to Proceed Date: Contract Duration: 140

Period From: 8/1/2025 To: 8/31/2025

CHANGE ORDER SUMMARY

Change Orders approved in previous months by Owner		Additions \$	Deletions \$
Subsequent Change Orders			
Number	Approved (date)		

Net Change by Change Orders

Weather Days Requested To Date: Weather Days Granted:
Liquidated Damages Assessed: None

Application is made for Payment, as shown below, in connection with the attached Contract Continuation Sheet(s).

The present status of the account for this Contract is as follows:

Original Contract Sum	\$ 323,969.00
Net Changes by Change Order	\$ -
Contract sum to Date	\$ 323,969.00
Total Completed to Date	\$ 323,969.00
Retainage <u>10</u> %	\$ 32,396.90
Total Earned Less Retainage	\$ 291,572.10
Less Previous Certificates for Payment	\$ -
Current Payment Due	\$ 291,572.10

The undersigned Contractor certifies that the work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by him for Work for which previous Certificates for Payment were issued and payment received from the Owner and that the current payment shown herein is now due.

In accordance with the Contract and this Application for Payment, the Contractor is entitled to payment in the amount shown above.

Contractor: Aber Fence & Supply Co.

Engineer: IDS Engineering Group

Signed by: [Signature] Date: 9/3/25Signed By: [Signature] Date: 9/4/25

This Certificate is not negotiable. It is payable only to the payee named herein and its issuance, payment and acceptance are without prejudice to any rights of the Owner or Contractor under their Contract.

Monthly Work Completed

PROJECT: Water Plant No. 1

DATE: 8/18/25

CONTRACTOR: Aber Fence and Supply Co., Inc.
OWNER: Harris County Municipal Utility District No. 36

PROJECT NO: 0180-062-00

From:						To:				
ITEM	DESCRIPTION	UNITS	Plan Quantity	Unit Price	TOTAL contract amount	Quantity Prev. Billed	Quantity This Period	Amt Due this Estimate	Total quantity to date	Total Due To Date
1	furnish and install concrete truck washout	EA.	1	\$2,500.00	\$2,500.00	0	1	\$2,500.00	1	\$2,500.00
2	remove & dispose of existing 8' C/L fence	LF	1,300	\$10.00	\$13,000.00	0	1300	\$13,000.00	1300	\$13,000.00
3	install 10' atec wall	LF	1,300	\$223.00	\$289,900.00	0	1300	\$289,900.00	1300	\$289,900.00
4	install 10' tall steel access slide gate	EA.	1	\$13,537.00	\$13,537.00	0	1	\$13,537.00	1	\$13,537.00
5	performance and payment bonds	EA.	1	\$5,032.00	\$5,032.00	0	1	\$5,032.00	1	\$5,032.00
					contract total	\$323,969.00	Subtotal this estimate	\$323,969.00	Total Work to Date	323,969.00
							Less 10%	\$32,396.90	Less 10% Retainage	\$32,396.90
							Subtotal	\$291,572.10	Sub-Total	\$291,572.10
							Plus reduced retainage	\$0.00	Less Previous Payments	\$0.00
							Total amount due	291,572.10	Total Amount Due	291,572.10

WAIVER AND LIEN RELEASE UPON PARTIAL PAYMENT

THE STATE OF TEXAS

COUNTY OF Harris

The undersigned contracted with IDS Engineering Group to furnish Labor, Materials and Incidental Items in connection with certain improvements to real property located in Harris County, Texas, and owned by Harris County Mud No. 36 which improvements are described as follows:

Project Name: Water Plant No. 1 Fence replacement

Project Number: 0180-062-00, contract No. 1

In consideration of Pay Estimate No. 1 in the amount of Two hundred ninety one thousand five hundred seventy two dollars and 10/100 — (\$ 291,572.10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned does hereby waive and release any mechanic's lien or materialmen's lien or claims of lien that the undersigned has or hereafter has on the above mentioned real property on account of any labor performed or materials furnished or to be furnished or labor performed and materials furnished by the undersigned pursuant to the above mentioned contract or any constitutional lien that the undersigned may have.

Undersigned hereby guarantees that all bills for labor performed and/or materials furnished in the erection and construction of such improvements on the Property have been fully paid (with the exception of the attached invoice) and satisfied and Undersigned does further guarantee that if for any reason a lien or liens are filed for material or labor against said Property arising out of any bills for material or labor in connection with the erection or construction of said improvements therein, Undersigned will obtain a settlement of such lien or liens and a proper release thereof shall be obtained.

Executed this 18th day of August, 2025

(Contractor) Aber Fence and Supply Co., Inc.

[Signature]
By

CEO
Title

THE STATE OF TEXAS

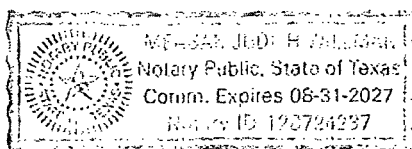
COUNTY OF Harris

BEFORE ME, The undersigned authority, on this day personally appeared Tim A. Tribudean CEO of Aber Fence and Supply Co., Inc. known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of such corporation, for the purpose of consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS THE 18th day of August 2025

MY COMMISSION EXPIRES: 8/31/27

[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS



AFFIDAVIT OF BILLS PAID

THE STATE OF TEXAS
COUNTY OF HARRIS

Tim A. Thibodeau Being first duly sworn, state that he is CEO
of Aber Fence and Supply Co., Inc. of Harris County of Texas, hereinafter call "Company", and
The said Company has performed work and/or furnished Harris County Mnd No. 36
hereinafter called "Owner" pursuant to a contract, dated with Owner (hereinafter called "Contract") for
the construction of:

PROJECT: Water Plant No. 1 Fence Replacement
PROJECT NO: 0180-062-00, Contract No. 1

That all just and lawful invoices against the Company for Labor, materials and expendable equipment
employed in the performance of the Contract and have been paid in full (with the exception of the
attached invoice) prior to acceptance of payments from the Owner, and

That the Company agrees to indemnify and hold the Owner and Engineers harmless from all liability
arising from claims by subcontractors, materialmen and suppliers under Contract, and

That no claims have been made or filed upon the payment bond,

That the Company has not received any claims or notice of claims from the subcontractor, materialmen
and suppliers.

Executed this 18th day of August, 2025

CONTRACTOR Aber Fence and Supply
Co., Inc.

By

CEO

Title

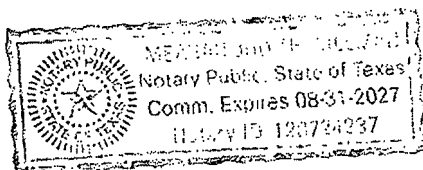
THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, The undersigned authority, on this day personally appeared Tim A. Thibodeau
CEO of Aber Fence and Supply Co., Inc., a Texas Corporation, known to me
to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to
me that the executed the same as the act and deed of such corporation, for the purpose of consideration
therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON THIS THE 18th day of August 2025

MY COMMISSION EXPIRES:

[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS





IDS

Engineering Group

REQUEST FOR EXTENSION OF TIME

PROJECT: WATER PLANT NO. 1 FENCE REPLACEMENT

OWNER: HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO 36

ATTENTION: _____ DATE: _____

PROJECT NUMBER: 0180-062-00

We request extension of completion time on our Contract in the amount of 0 Calendar Days specified as follows: (Please circle day of the month)

Month: August

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Reasons for Request: _____

Aber Fence and Supply Co., Inc.
(Contractor)

By: meg Zuhra

☒ Recommend approval for extension of 0 calendar days.

☐ Recommend disapproval. (See following comments)

IDS ENGINEERING GROUP

By: _____

[Signature]

Date: _____

9/4/25

September 11, 2025

Mr. Jose Urioste
ROADE Properties, Ltd
8830 Long Point Road
Houston, TX 77055

Reference: Harris County Municipal Utility District No. 36
Water and Wastewater Capacity Commitment
Office Warehouse Shell Building, 20431 Imperial Valley Drive, Houston, TX 77073
IDS No. 0180-013-UC

Dear Mr. Urioste:

The Board of Directors of Harris County Municipal Utility District No. 36 ("District") has considered the request by ROADE Properties, Ltd ("Customer") for water and wastewater capacity to serve the above-referenced property (the "Tract"). In this regard, representations have been made to the District that development plans for the property will include the construction of two office warehouse buildings requiring 2 equivalent single-family connections ("ESFC"), which is equivalent to approximately 500 gallons-per-day of wastewater capacity.

The District has water and wastewater capacity available, in the amounts requested, and shall reserve the capacity in their systems to serve your development, subject to the following conditions:

1. Water connections or replacement of water connections, if needed, for the development shall be made to the District's 12-inch water line located on Imperial Valley Drive. The tap and water meter will be constructed by the District's Operator after payment of the applicable tap fee. The Customer will be required to install backflow prevention and have it tested by a backflow prevention assembly tester registered with the State of Texas. If Customer requires a fire service line to serve the development, the tap will be constructed by the District's Operator after payment of applicable fee. The Customer will be required to install a double check backflow preventer with check meter on the Customer's property and have it tested by a backflow prevention assembly tester registered with the State of Texas.
2. Sanitary sewer connections or replacement of sanitary sewer connection, if needed, shall be made to the existing sanitary sewer manhole. The tap is to be made by the Customer and inspected by the District Operator prior to backfill after payment of the inspection fee. When a connection is made to an existing concrete manhole, the manhole shall be cored and a pipe to manhole connector meeting the requirements of ASTM A 923 shall be utilized. When a connection is made to an existing fiberglass manhole, the manhole shall be hole sawed and an Inserta Tee® pipe to manhole connector meeting the requirements of ASTM F 477 shall be utilized. Standard external drop connection shall be utilized when Customer's service line enters the manhole greater than two feet above the sanitary main. Private sanitary sewer lines, including those under the slab, shall be inspected by the District's Operator prior to backfill.
3. Plans and specifications for internal water, sanitary sewer and drainage facilities required to provide service to the Improvements in accordance with City of Houston and Texas Department of Health standards shall be prepared by a registered or licensed professional engineer and

shall be approved by all applicable regulatory authorities as well as the District's Engineer prior to beginning construction of such facilities. Construction of all water, sanitary sewer and drainage facilities shall be inspected by the District's Operator and Engineer, to the extent deemed necessary, to enable the District's Operator and Engineer to certify to the District that such facilities have been constructed in accordance with the approved plans and specifications.

4. Approval by the City of Houston Planning Commission must be obtained for a plat or plats on the Tract which must be duly recorded in the Map Records of Harris County, Texas prior to connection of the Improvements to the District system.
5. No connections to the water, sanitary sewer or drainage facilities shall be made or permitted to be made until the District has issued written authorization.
6. Any substantial deviation from the development plan described above must be submitted to the District for its approval which may result in the Board's reconsideration of this commitment.
7. Construction of all internal water, sanitary sewer and drainage facilities required to provide service to the Tract shall be at the sole cost and expense of Customer without reimbursement by the District.
8. Customer shall obtain and bear the expense of any required permits for construction of the internal water, sanitary sewer and drainage facilities.
9. Customer shall be charged the same rates and fees for water and sanitary sewer service as comparable customers within the District in accordance with the District's rules, regulations and policies, as amended from time to time.
10. If customer proposes to discharge, or discharges, industrial waste, as defined in the District's rules, regulations and policies, Customer will be required to install garbage grinders and may be required to install grease traps or pretreatment units and/or to pay industrial waste surcharges. Projected waste stream quality information must be submitted prior to connection to the District facilities.
11. Customer shall not have the right to assign this commitment or any right which may accrue hereunder, in whole or in part, without the prior written consent of the District.
12. This commitment shall have no further force and effect twelve (12) months from the date hereof, relative to any capacity not required by the Improvements actually completed or under construction at said time. In the event that this commitment expires, the District does agree to consider a renewal of this commitment based upon Customer proceeding in good faith in the development of the Tract.
13. The District hereby specifically reserves the right, at any time after completion and commencement of normal operations of the Improvements on the Tract, to reallocate surplus water and sewer capacity not actually required by such Improvements to other properties within the District.

14. Customer is hereby advised that Harris County Municipal Utility District No. 36 is subject to the supervision of various local, State and Federal authorities and cannot exercise independent control over all activities and actions affecting development of the Tract. This commitment is issued subject to the actions and approvals of such authorities as provided by law.
15. Subject to the other conditions and requirements set forth herein, water supply and wastewater treatment plant capacities in the amounts indicated will be made available as the aforementioned improvements are constructed in accordance with the District's then-existing Rate Order and Drought Contingency Plan. Customer has represented to the District that the Tract and the proposed development are not and will not be exempt from ad valorem taxation by the District. In that regard, Customer hereby acknowledges and agrees that, should the Tract and the development (or any portion thereof) become tax exempt, the District may collect fees in accordance with the provisions of Section 49.212, Texas Water Code, as amended, and its then-existing Rate Order to cover the District's actual costs of the facilities necessary to provide service to any such tax-exempt portion and Customer (or its successor in interest) shall pay such costs to the District notwithstanding that service is then already being provided to the Tract in whole or in part.
16. This commitment is further subject to and expressly conditional upon Customer's continuing compliance with the foregoing terms, provisions and conditions and the applicable rules, regulations and policies of the District in force and effect as amended from time to time.

Should you have any questions concerning the above commitment, please contact me.

Sincerely,

Eric D. Johnson, P.E.
Senior Vice President

\\idseg.com\fs\Projects\0100\018001300 HCMUD 36 Gen Con\SITE-UCL\20431 Imperial Valley Dr\UCL 2025-09-11 20431 Imperial Dr.docx

EXHIBIT "I"

Harris County Municipal Utility District No. 36

2024 District Assessed Value	2024 Home Value	2024 Debt Service Tax Rate	2024 Maintenance Tax Rate	2024 Total Tax Rate	Tax Bill on Average Home	Maintenance Tax Revenues @ 95% collections
\$1,062,061,771	\$181,946	\$0.0000	\$0.1300	\$0.1300	\$237	\$1,311,646

2025 District Assessed Value	2025 Home Value	2025 Debt Service Tax Rate	2025 Maintenance Tax Rate	2025 Total Tax Rate	Tax Bill on Average Home	Increase (Decrease) in Average Tax Bill	% Increase (Decrease) on Average Tax Bill	Maintenance Tax Revenues @ 95% collections
\$1,131,605,589	\$183,275	\$0.0000	\$0.13938	\$0.13938	\$255	\$19	7.9985%	\$1,498,370
\$1,131,605,589	\$183,275	\$0.0000	\$0.13750	\$0.13750	\$252	\$15	6.542%	\$1,478,160
\$1,131,605,589	\$183,275	\$0.0000	\$0.13500	\$0.13500	\$247	\$11	4.605%	\$1,451,284
\$1,131,605,589	\$183,275	\$0.0000	\$0.13250	\$0.13250	\$243	\$6	2.668%	\$1,424,409
\$1,131,605,589	\$183,275	\$0.0000	\$0.13000	\$0.13000	\$238	\$2	0.730%	\$1,397,533
\$1,131,605,589	\$183,275	\$0.0000	\$0.12906	\$0.12906	\$237	\$0	0.002%	\$1,387,428
\$1,131,605,589	\$183,275	\$0.0000	\$0.12750	\$0.12750	\$234	(\$3)	-1.207%	\$1,370,657
\$1,131,605,589	\$183,275	\$0.0000	\$0.12500	\$0.12500	\$229	(\$7)	-3.144%	\$1,343,782
\$1,131,605,589	\$183,275	\$0.0000	\$0.12250	\$0.12250	\$225	(\$12)	-5.081%	\$1,316,906
\$1,131,605,589	\$183,275	\$0.0000	\$0.12000	\$0.12000	\$220	(\$17)	-7.018%	\$1,290,030
\$1,131,605,589	\$183,275	\$0.0000	\$0.11750	\$0.11750	\$215	(\$21)	-8.955%	\$1,263,155
\$1,131,605,589	\$183,275	\$0.0000	\$0.11500	\$0.11500	\$211	(\$26)	-10.892%	\$1,236,279
\$1,131,605,589	\$183,275	\$0.0000	\$0.11250	\$0.11250	\$206	(\$30)	-12.829%	\$1,209,403
\$1,131,605,589	\$183,275	\$0.0000	\$0.11000	\$0.11000	\$202	(\$35)	-14.767%	\$1,182,528
\$1,131,605,589	\$183,275	\$0.0000	\$0.10750	\$0.10750	\$197	(\$40)	-16.704%	\$1,155,652
\$1,131,605,589	\$183,275	\$0.0000	\$0.10500	\$0.10500	\$192	(\$44)	-18.641%	\$1,128,777
\$1,131,605,589	\$183,275	\$0.0000	\$0.10250	\$0.10250	\$188	(\$49)	-20.578%	\$1,101,901
\$1,131,605,589	\$183,275	\$0.0000	\$0.10000	\$0.10000	\$183	(\$53)	-22.515%	\$1,075,025
\$1,131,605,589	\$183,275	\$0.0000	\$0.09750	\$0.09750	\$179	(\$58)	-24.452%	\$1,048,150

Max tax rate; Just under 8.0% Increase

Same tax rate as 2024
Parity Rate

2025 Assessed Value	
Certified Value	\$1,076,576,656
Uncertified Value - Owner's Value	\$73,371,910
Uncertified Value - Using 75%	\$55,028,933
Total Estimate Value	\$1,131,605,589

Change in Value (%)	
Assessed Value	6.5%
Average Home Value	0.7%

2025 Tax Rate Calculations:	
If "Developing District", 8.0%	
Parity	\$0.12906
Tax Election Tax Rate	\$0.13938
Voter Approval Tax Rate (M/tax)	\$0.13938

A Penny Generates: \$107,503
A Penny on the Tax Rate to the Avg. Home is: \$18.33

2024 Tax Rate:	
Debt Service	\$0.0000
M&O ***	\$0.1300
Total	\$0.1300

2024 avg Home Value	\$181,946
2025 avg Home Value	\$183,275
2024 avg tax bill	\$237

Analysis of General Fund:
General Fund Balance as of 8/14/2025 \$26,391,583