

**ORDER CALLING A CONFIRMATION ELECTION, A SYSTEM FACILITIES BOND
ELECTION, A MAINTENANCE TAX ELECTION, A ROAD BOND ELECTION, A
REFUNDING BOND ELECTION AND A PERMANENT DIRECTORS ELECTION FOR
CANYON RANCH MUNICIPAL UTILITY DISTRICT AND MAKING PROVISIONS FOR
CONDUCTING SUCH ELECTIONS AND OTHER PROVISIONS INCIDENTAL AND
RELATED THERETO**

WHEREAS, Canyon Ranch Municipal Utility District (the "District") is a conservation and reclamation district created by Order of the Texas Commission on Environmental Quality dated September 28, 2021, as a municipal utility district pursuant to the provisions of Article XVI, Section 59 of the Texas Constitution;

WHEREAS, the District currently operates pursuant to Chapters 49 and 54, Texas Water Code; and

WHEREAS, the temporary directors of the District have met and organized and have qualified to serve as directors of the District by taking the oath and making the bond required by law; and

WHEREAS, the Board of Directors of the District (the "Board") is of the opinion that it would be of benefit to the District to be authorized to levy and collect an operation and maintenance tax not to exceed \$1.00 per one hundred dollars valuation of taxable property within the District to secure funds for maintenance and operation purposes and any other lawful purposes; and

WHEREAS, Section 49.107(b), Texas Water Code, provides that an operation and maintenance tax cannot be levied until such levy is approved by a majority of the electors voting in an election held for that purpose; and

WHEREAS, the Board is of the opinion that an election should be held for the purpose of submitting a proposition on the levy of an operation and maintenance tax; and

WHEREAS, Section 49.107(c), Texas Water Code, and the Texas Election Code provide that an operation and maintenance tax election may be held on the same day as any other District election; and

WHEREAS, there has been filed in the office of the District, open to inspection by the public, the Preliminary Engineering Report for Water, Wastewater and Drainage Facilities dated January 20, 2022 (the "System Engineering Report") covering the works, improvements, facilities, land, plants, equipment and appliances to be purchased, acquired and constructed by the District and the property, contract rights, rights of use and interests in property to be purchased or acquired as well as the estimated cost of all the foregoing, together with maps, plats, profiles and data showing and explaining the System Engineering Report, and the System Engineering Report has been carefully considered by the Board and has been fully approved by the Board; however, the System Engineering Report is not part of the proposition to be voted on and is not a contract with the voters; and

WHEREAS, said works, improvements, facilities, land, plants, equipment, appliances, property, contract rights, rights of use and interests in property are designed and intended to furnish a waterworks and wastewater system and a drainage and storm sewer system for properties inside and adjacent to the District; and

WHEREAS, the System Engineering Report heretofore filed and approved contains an estimate of the costs of the purchase, acquisition and construction of the proposed works, improvements, facilities, land, plants, equipment, appliances, and an estimate of the District's costs due or to become due under contracts and the costs of purchasing and acquiring such property, contract rights, rights of use and interests in property, administrative facilities and expenses incident thereto, generally as follows:

**WATER, WASTEWATER AND DRAINAGE
SYSTEM FACILITIES BOND ELECTION**

<u>CONSTRUCTION COSTS</u>	<u>AMOUNT</u>
A. Developer Items	
1. Water Distribution	\$5,557,164
2. Wastewater Collection & Treatment	\$19,368,220
3. Drainage	\$9,899,453
4. Erosion Control & Miscellaneous SWPPP	\$90,000
5. Potential Future 500 Ac. Annexation - Utilities	\$43,643,546
6. Contingencies (15% of Items 1-5)	\$11,783,759
7. Escalation (10% over 15 yrs on Items 1-6) ⁽⁵⁾	\$287,039,408
8. Engineering (20% of Items 1-7)	\$75,476,310
9. Materials Testing (6% of Items 1-7)	<u>\$22,642,893</u>
Subtotal	\$475,500,753
B. District Items	
1. Water Supply Ph. 1	\$200,000
2. Water Supply Ph. 2	\$1,690,000
3. Water Supply Ph. 3	\$638,000
4. Water Supply Ph. 4	\$8,000,000
5. Contingencies (15% of Items 1-4)	\$1,579,200
6. Escalation (10% over 15 yrs on Items 1-5)	\$38,467,579
7. Engineering (20% of Items 1-6)	\$10,114,956
8. Materials Testing (6% of Items 1-6)	<u>\$3,034,487</u>
Subtotal	\$63,724,222
TOTAL CONSTRUCTION COSTS	\$539,224,975
 <u>NONCONSTRUCTION COSTS</u>	
A. Legal Fees (3%)	\$24,030,000
B. Financial Advisor Fees (2%)	\$16,020,000
C. Capitalized Interest (2 yrs. @ 7%)	\$112,140,000
D. Developer Interest (2 yrs. @ 7%)	\$75,491,500
E. Bond Discount (3%)	\$24,030,000
TOTAL NONCONSTRUCTION COSTS	<u>\$262,576,025</u>
TOTAL BOND ISSUE REQUIREMENT	<u>\$801,000,000</u>

WHEREAS, there has been filed in the office of the District, open to inspection by the public, a Preliminary Roadway Engineering Report dated January 20, 2022 (the "*Road Engineering Report*") covering certain road improvements inside and adjacent to the District and their estimated cost, together with maps, plats, profiles, and data fully showing and explaining the report, and the report has been carefully considered by the Board and has been fully approved by the Board; however, the Road Engineering Report is not part of the proposition to be voted on or a contract with the voters; and

WHEREAS, the Road Engineering Report heretofore filed and approved contains an estimate of the road improvements for the District, general as follows:

ROAD FACILITIES BOND ELECTION

CONSTRUCTION COSTS

	AMOUNT
A. Facilities	
1. Roads	\$16,382,080
2. Potential Future 500 Ac. Annexation - Roads	\$20,477,600
3. Contingencies (15% of Items 1-2)	\$5,528,952
4. Escalation (10% over 15 yrs on Items 1-3)	\$134,679,203
5. TxDot Improvements Design	\$920,000
6. Engineering (20% of Items 1-4)	\$35,413,567
7. Materials Testing (6% of Items 1-4)	\$10,624,070
8. SWPPP (5% of Items 1-4)	\$8,853,392
Subtotal	<u>\$232,878,864</u>
TOTAL CONSTRUCTION COSTS	\$232,878,864

NONCONSTRUCTION COSTS

	AMOUNT
A. Legal Fees (3%)	\$10,335,000
B. Financial Advisor Fees (2%)	\$6,890,000
C. Capitalized Interest (2 yrs. @ 7%)	\$48,230,000
D. Developer Interest (2 yrs. @ 7%)	\$32,603,041
E. Bond Discount (3.0%)	\$10,335,000
F. Bond Engineering Costs (69 @ \$10,000/each)	\$690,000
G. Attorney General's Fee (0.1% of BIR)	\$344,500
H. Bond Issuance Expenses	<u>\$2,538,095</u>
TOTAL NONCONSTRUCTION COSTS	<u>\$111,965,636</u>
TOTAL BOND ISSUE REQUIREMENT	\$344,500,000

WHEREAS, Section 52, Article III of the Texas Constitution provides that bonds issued for the purpose of construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes shall not be issued unless approved by a vote of two-thirds majority of the resident electors of the District voting in an election called and held for such purpose; and

WHEREAS, the Board desires to call an election for the purpose of submitting a proposition on the issuance of bonds of the District for constructing, improving, acquiring, financing or reimbursing for the costs of roads in accordance with Section 52, Article III of the Texas Constitution in the maximum aggregate principal amount of \$344,500,000, and the levy of taxes in payment of such bonds; and

WHEREAS, the Board finds that the above estimates of \$801,000,000 and \$344,500,000, respectively, are reasonable and proper and hereby approves the same and all items thereof but reserves the right to authorize amendments to the engineer's reports and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's water, wastewater and drainage system and road facilities; and

WHEREAS, Section 54.505, Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of the District voting in an election called and held for that purpose; and

WHEREAS, the Board desires to call an election, to be held in conjunction with the confirmation, operation and maintenance tax and directors elections, for the purpose of submitting a proposition on the issuance of the bonds of the District for water, wastewater and drainage system facilities of the District in the maximum aggregate principal amount of \$801,000,000 and the levy of taxes in payment of such bonds; and

WHEREAS, Section 49.106(c), Texas Water Code, and the Texas Election Code provide that bond elections may be held on the same day as any other District election; and

WHEREAS, the Board desires to call an election to authorize refunding bonds and the levy of taxes in payment of such bonds for purposes of refunding new money bonds for (i) water, wastewater and drainage system facilities and (ii) park and recreational facilities as authorized by Section 59, Article XVI of the Texas Constitution; and

WHEREAS, the Board desires to call an election to authorize refunding bonds and the levy of taxes in payment of such bonds for purposes of refunding new money bonds for roads as authorized by Section 52, Article III of the Texas Constitution; and

WHEREAS, the Board desires to proceed with the ordering of said elections;

BE IT ORDERED BY THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT THAT:

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

Section 2. Engineer's Reports. The engineer's reports hereinabove mentioned are hereby approved; provided, however, the District reserves the right to authorize amendments to the engineer's reports and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District.

Section 3. Election. A special election shall be held on May 7, 2022 (“*Election Day*”). The Board of Directors of the District hereby appoints the Comal County (the “*County*”) election officials as officers of the election. The Comal County Election Administrator is conducting the election pursuant to an election agreement between the District and County as authorized under Section 31.092 of the Election Code (the “*Election Agreement*”). The election shall be held as a joint election pursuant to Chapter 271 of the Texas Election Code and a joint election agreement to be entered into between the District and other eligible participating entities located in the County that are holding an election on Election Day. At the election, there shall be submitted the questions of: (i) confirming creation of the District; (ii) approval of an operation and maintenance tax; (iii) the election of permanent directors; (iv) issuance of water, wastewater and drainage system facilities bonds; (v) issuance of road bonds; (vi) issuance of refunding bonds for water, wastewater and drainage system facilities bonds; (vii) issuance of refunding bonds for road bonds, together with the levy of taxes in payment of all such bonds. The election judges and clerks shall be appointed in accordance with the Election Agreement and Texas Election Code, as amended.

Section 4. Election Precincts, Voting Locations and Voting Hours on Election Day. In accordance with Section 42.061 of the Texas Election Code, the boundaries of the District are established as and shall constitute one election precinct for the election, and the Board of Directors of the District hereby appoints the Comal County election officials as officers of the election. Pursuant to Section 43.004 of the Election Code, the polling places for holding the election are those polling places designated by Comal County to serve the County’s regular election precinct(s) within the District, and are more particularly identified on **Exhibit “A”** attached hereto, which exhibit is incorporated herein by reference for all purposes. The polling locations set forth on the exhibit may be changed from time to time to reflect any changes to the polling locations established by the County. The Board specifically finds that such locations can adequately and conveniently serve the affected voters of the District and will facilitate the orderly conduct of the election. After duly considering the requirements of the Election Code, the Board hereby finds that said polling places to be proper places for conducting the election. On Election Day, the polls shall be open from 7:00 a.m. to 7:00 p.m. at the polling locations established herein.

Section 5. Early Voting Locations, Dates and Times.

(a) Early voting, both by personal appearance and by mail, will be conducted in accordance with the Election Code.

(b) Early voting in the election by personal appearance shall be conducted at the times, dates and polling places as determined by Comal County, and such polling places are hereby established and designated as set forth in **Exhibit “B”** to this Order and this exhibit is incorporated by reference for all purposes. **Exhibit “B”** shall be revised and finalized, if necessary, as directed by the County Elections Administrator. The Comal County Elections Administrator is the Early Voting Clerk. Application for ballots by mail should be sent to Comal County Elections 215 S. Milam St., Seguin, Texas 78155; or by electronic mail to: earlyvotingclerk@co.Comal.tx.us and followed by a hard copy by mail.

Section 6. Propositions. The following propositions shall be submitted to the resident electors of the District:

CANYON RANCH MUNICIPAL UTILITY DISTRICT
PROPOSITION A

SHALL THE CREATION OF CANYON RANCH MUNICIPAL UTILITY
DISTRICT BE CONFIRMED?

SHALL THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF \$801,000,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR INSIDE AND OUTSIDE THE DISTRICTS BOUNDARIES, ANY DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES AND ALL COSTS NEEDED TO ACCOMPLISH THE PURPOSES OF THE DISTRICT AUTHORIZED BY ARTICLE 16, SECTION 59 OF THE TEXAS CONSTITUTION, THE TEXAS WATER CODE OR ANY OTHER LAW, TO PROVIDE THE WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT AND APPLIANCES TO PROVIDE A WATERWORKS SYSTEM, SANITARY SEWER SYSTEM, DRAINAGE, STORM SEWER AND WATER QUALITY SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL ADDITIONS TO SUCH SYSTEMS AND ALL WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY, AND CONTRACT RIGHTS NEEDED THEREFOR, ADMINISTRATION, INTEREST AND OPERATING COSTS DURING CREATION AND CONSTRUCTION, AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION C
CANYON RANCH MUNICIPAL UTILITY DISTRICT

SHALL THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO LEVY AND COLLECT AN OPERATION AND MAINTENANCE TAX NOT TO EXCEED ONE DOLLAR (\$1.00) PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT TO SECURE FUNDS FOR OPERATION AND MAINTENANCE PURPOSES, INCLUDING, BUT NOT LIMITED TO, FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING AND OPERATING ALL NECESSARY LAND, PLANTS, WORKS, FACILITIES, IMPROVEMENTS, APPLIANCES AND EQUIPMENT OF THE DISTRICT, AND FOR PAYING COSTS OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ORGANIZATION AND ADMINISTRATIVE EXPENSES, AND FOR ANY LAWFUL PURPOSE AS NOW OR HEREAFTER ALLOWED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION B
CANYON RANCH MUNICIPAL UTILITY DISTRICT

SHALL THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF \$1,201,500,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY

CANYON RANCH MUNICIPAL UTILITY DISTRICT
PROPOSITION E

SHALL THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO ISSUE BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$344,500,000, IN CONFORMITY WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, PARTICULARLY SECTION 52 OF ARTICLE III OF THE CONSTITUTION AND LAWS ENACTED PURSUANT THERETO, FOR THE PURPOSE OF DESIGNING, CONSTRUCTING, IMPROVING, ACQUIRING, CONVEYING, OR REIMBURSING FOR THE COSTS OF DESIGNING, CONTRACTING, IMPROVING, ACQUIRING OR CONVEYING, MAINTAINING, FINANCING AND OPERATING MACADAMIZED, GRAVELED OR PAVED ROADS AND TURNPIKES AND RELATED BRIDGES, TRAILS, DRAINAGE WORKS AND OTHER SIMILAR IMPROVEMENTS AND CARRYING OUT OTHER IMPROVEMENTS THAT ARE NECESSARY, CONVENIENT, RELATED OR IN AID THERETO OR THAT ARE OTHERWISE PERMITTED TO BE DONE UNDER APPLICABLE LAWS AT THE TIME OF ISSUANCE OF SUCH BONDS, BOTH WITHIN AND OUTSIDE THE BOUNDARIES OF SAID DISTRICT, OR IN AID OF THOSE PURPOSES, SUCH BONDS TO BE ISSUED IN ONE OR MORE SERIES OR ISSUES, TO MATURE SERIALY OR OTHERWISE NOT MORE THAN FORTY (40) YEARS FROM THEIR DATE AND TO BEAR INTEREST AT SUCH RATE OR RATES (NOT TO EXCEED THE MAXIMUM RATE PERMITTED BY LAW AT THE TIME OF ISSUANCE OF THE BONDS) AS IN ITS DISCRETION THE BOARD SHALL DETERMINE AND SHALL THE BOARD BE AUTHORIZED TO LEVY AND PLEDGE AND CAUSE TO BE ASSESSED AND COLLECTED ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND TO PROVIDE A SINKING FUND TO PAY THE BONDS AT MATURITY OR REDEMPTION ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

CANYON RANCH MUNICIPAL UTILITY DISTRICT
PROPOSITION D

Section 7. Official Ballots for Election Propositions. Voting in the election for the propositions shall be by the use of electronic or paper ballots which shall show the propositions in both English and Spanish and which shall conform to the requirements of federal law, including the Help America Vote Act, and the Texas Election Code, as amended. The order of the propositions on the ballot shall be in accordance with the Texas Election Code. The ballots used in the election shall contain the following:

SHALL THE BOARD OF DIRECTORS OF CANYON RANCH MUNICIPAL UTILITY DISTRICT BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF \$516,750,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT PAYABLE IN WHOLE OR IN PART FROM TAXES, HEREAFTER ISSUED BY THE DISTRICT FOR ROADS PURSUANT TO SECTION 52, ARTICLE III OF THE TEXAS CONSTITUTION, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH REFUNDING BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, SUCH AUTHORIZATION BEING IN ADDITION TO ANY OTHER REFUNDING AUTHORIZATION NOW OR HEREAFTER ALLOWED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

CANYON RANCH MUNICIPAL UTILITY DISTRICT
PROPOSITION F

PORTION OF ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT PAYABLE IN WHOLE OR IN PART FROM TAXES, HEREAFTER ISSUED BY THE DISTRICT FOR WATER, WASTEWATER AND DRAINAGE FACILITIES PURSUANT TO SECTION 59, ARTICLE XVI OF THE TEXAS CONSTITUTION, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH REFUNDING BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, SUCH AUTHORIZATION BEING IN ADDITION TO ANY OTHER REFUNDING AUTHORIZATION NOW OR HEREAFTER ALLOWED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

CANYON RANCH MUNICIPAL UTILITY DISTRICT
PROPOSITION F

- () FOR) THE ISSUANCE OF \$516,750,000 BONDS FOR
) REFUNDING ROAD BONDS ISSUED PURSUANT TO
) SECTION 52, ARTICLE III OF THE TEXAS
) CONSTITUTION. TAXES SUFFICIENT TO PAY
) THE PRINCIPAL OF AND INTEREST ON THE BONDS
) WILL BE IMPOSED
- () AGAINST

Each voter shall vote on the propositions by placing an “X” in the square beside the statement indicating the way he or she wishes to vote.

Section 8. **Official Ballots for Election of Directors.** Voting in the election for the permanent directors of the District shall be by the use of electronic or paper ballots, which shall utilize both English and Spanish and which shall conform to the requirements of federal law, including the Help America Vote Act, and the Texas Election Code, as amended. The ballots used in the election for the permanent directors shall have the names of five temporary directors appointed by the Commission, or their replacements as follows:

- () Dennis Scott
() Wayne Flores
() Dan Mullins
() Gene Couch
() John Chunn

The voter may vote for none, one, two, three, four or five persons for director by placing an “X” in the square beside the person's name. If the District has received an application by a write-in candidate, the ballots shall have blanks after the names of the temporary directors for a voter to write in the name of any write-in candidate. The order of the election of permanent directors shall conform to the Texas Election Code, as amended.

Section 9. **Statement of Bond Information.** Solely for purposes of compliance with Section 3.009(b) of the Texas Election Code, set forth in **Exhibit “C”** attached hereto is the information required in a bond election order in accordance with Section 3.009(b) of the Texas Election Code.

Section 10. **Bilingual Election Materials.** Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the presiding judge or the early voting clerk.

Section 11. **Conduct of Election.** In all respects, the election shall be conducted in accordance with the Texas Election Code and the Federal Help America Vote Act. Every polling place used in Comal County for this election will have at least one Direct Recording Electronic voting device available for Election Day voting and early voting. The Elections Administrator may use a central counting station as provided by Section 127.000 et seq. as amended, Texas Election Code. Central counting station Presiding Judge and the Alternate Presiding Judge shall be appointed in accordance with the Election Agreement.

Section 12. **Compliance with Laws.** The election shall be held and conducted and returns shall be made to the Board in accordance with state and federal law, including the Help America Vote Act, the Texas Election Code as modified by Chapters 49 and 54, Texas Water Code and the Election Agreement.

Section 13. **Entitlement to Vote.** All qualified resident electors of the District shall be entitled to vote in the elections.

Section 14. **Notice of Election.** . In accordance with Section 4.003(a)(1) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall serve as proper notice of said elections, and the President of the Board or other representatives of the District shall cause the notice to be published one time, not earlier than the 30th day or later than the 10th day prior to the date set for the elections, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, in accordance with Section 4.003(a)(2) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted in accordance with the Texas Election Code not later than the 21st day before the elections. The District is holding bond elections for water, wastewater and drainage system facilities; road facilities; refunding water, wastewater and drainage system facilities bonds; and refunding road bonds. Therefore, in accordance with Section 4.003(f) of the Texas Election Code, a copy of this Order, appearing in English and Spanish, shall be posted on Election Day and during early voting by personal appearance in a prominent location at each polling place; posted in three public places in the boundaries of the District no later than the 21st day before the election; and posted on the District's Internet website during the 21 days before the election if the District maintains an Internet website.

Section 15. **Election Returns.** Immediately after the elections, the officers holding same shall make and deliver returns of the results thereof to the Secretary of the Board, who shall safely keep them and deliver same to the Board, at which the Board shall canvass the returns and declare the results of the elections pursuant to Section 49.101 of the Texas Water Code and Section 67.003 of the Texas Election Code, as amended.

Section 16. **Necessary Actions.** The President and Secretary of the Board are authorized and directed to take any action necessary to carry out the provisions of this Order.

Section 17. **Severability.** If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose

Section 18. **Notice of Meeting.** It is hereby found that the meeting at which this Order has been considered and adopted was open to the public, as required by law, and that written notice of the time, place, and subject matter of said meeting, and of the proposed adoption of this Order, was given as required by Section 49.063, Texas Water Code, as amended. The Board further ratifies and confirms said written notice and the contents and posting thereof.

PASSED AND APPROVED this 26th day of January, 2022.

CANYON RANCH MUNICIPAL
UTILITY DISTRICT


By: President, Board of Directors

ATTEST:


By: Secretary, Board of Directors

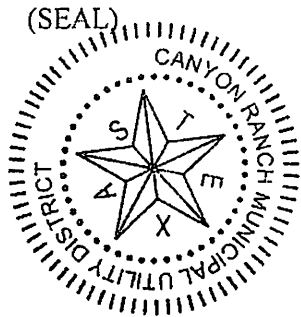


Exhibit A

Election Date Voting Polling Locations

SEE ATTACHED LOCATIONS
(Subject to Change)

PROPOSED MAY 7, 2021 POLLING LOCATIONS

POLLING LOCATION	ADDRESS
Comal County Offices, Bulverde Annex	30470 Cougar Bend, Bulverde
Canyon Springs Resort Clubhouse	691 Canyon Spring Dr., Canyon Lake
ESD4, Fire Station 4	215 Rebecca Creek Rd, Canyon Lake
Garden Ridge City Hall	9400 Municipal Pkwy, Garde Ridge
Comal County Offices, Goodwin Annex	1297 Church Hill, New Braunfels
Bulverde/Spring Branch Fire & EMS, Johnson Ranch	30475 Johnson Way, Bulverde
New Braunfels Library	700 E. Common, New Braunfels
Peace Lutheran Church	1147 S. Walnut, New Braunfels
New Braunfels Christian Church	734 N. Loop 337, New Braunfels
Rebecca Creek Baptist Church	11755 Hwy 281 N., Spring Branch
River Chase Clubhouse	436 River Chase Way, New Braunfels
Comal County Senior Citizens Center	710 Landa, New Braunfels
St. Francis by the Lake Episcopal Church	121 Spring Mountain Dr., Canyon Lake
Tye Preston Memorial Library	16311 South Access Rd, Canyon Lake
Westside Community Center	2932 S. IH 35, New Braunfels
Mammen Family Public Library	131 Bulverde Crossing, Bulverde

Exhibit B

Early Voting Polling Locations

**SEE ATTACHED LOCATIONS, DATES AND TIMES
(Subject to Change)**

Exhibit C

INFORMATION REQUIRED PURSUANT TO SECTION 3.009(b) OF THE TEXAS ELECTION CODE¹

In accordance with the provisions of 3.009(b) of the Texas Election Code, it is hereby found and determined that:

- (1) The proposition language that will appear on the ballot is set forth in Section 6 of this Order.
- (2) The purposes for which the bonds are to be authorized are set forth in Sections 3 and 6 of this Order.
- (3) The principal amount of the bonds to be authorized is set forth in Sections 6 and 7 of this Order.
- (4) As set forth in Sections 6 and 7 of this Order, if the bonds are approved by the voters, taxes sufficient to pay the annual principal of and interest on the bonds may be levied.
- (5) Based upon the bond market conditions at the date of adoption of this Order, the maximum interest rate for any series of the bonds is estimated to be 6.00% as calculated in accordance with applicable law. Such estimate is based on the Preliminary Engineering Report for Water, Wastewater & Drainage Facilities dated January 20, 2022, the Preliminary Engineering Report for Road Improvements dated January 2022 and the Preliminary Engineering Report for Recreational Facilities and Park Plan dated January 2022, and takes into account a number of factors including issuance schedule, maturity schedule and the estimated projected tax rate. The estimated maximum interest rate is provided for informational purposes only in accordance with Section 3.009(b)(5) of the Texas Election Code and could be affected by material changes in the assumptions used, including future economic and legal changes that are beyond the control of the District. The estimated maximum interest rate provided herein is not a limitation on the interest rate at which the bonds, or any series thereof, may be submitted to the Texas Commission on Environmental Quality for purposes of approval of issuance of the bonds or the interest rate at which the bonds, or any series thereof, may be sold. Such estimate is not a part of the proposition to be voted on and does not create a contract with the voters.
- (6) As set forth in Section 6 of this Order, if the bonds are approved by the voters, the bonds may be issued in one or more series to mature serially over a period not to exceed 40 years.
- (7) The District has not previously issued any bonds; therefore, there is no outstanding principal on any bonds of the District.
- (8) The District has not previously issued any bonds; therefore, there is no outstanding interest on any bonds of the District.
- (9) There is no ad valorem debt service tax rate in the District at the time of this Order.

¹ This information is provided solely for purposes of compliance with Section 3.009(b) of the Texas Election Code and is for illustration purposes only. The information is not a part of the proposition to be voted on and does not create a contract with the voters.