

SEVENTH AMENDED AND RESTATED ORDER AUTHORIZING THE ISSUANCE OF HARRIS COUNTY, TEXAS, GENERAL OBLIGATION UNLIMITED TAX COMMERCIAL PAPER NOTES, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$360,000,000 FOR THE PURPOSE OF PROVIDING MONEY FOR CERTAIN AUTHORIZED PURPOSES; APPROVING AND AUTHORIZING CERTAIN AUTHORIZED OFFICERS AND EMPLOYEES TO ACT ON BEHALF OF THE COUNTY IN THE SELLING AND DELIVERY OF SUCH NOTES, WITHIN THE LIMITATIONS AND PROCEDURES SPECIFIED HEREIN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, DELIVERY AND SECURITY OF THE NOTES, INCLUDING THE APPROVAL OF AN OFFERING MEMORANDUM AND RATIFYING AND CONFIRMING THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT, THE ISSUING AND PAYING AGENT AGREEMENT AND COMMERCIAL PAPER DEALER AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Commissioners Court of Harris County, Texas, convened at a regular meeting of such Court at the Harris County Administration Building in the City of Houston, Texas, on January 10, 2023, and the roll was called of the duly constituted members of such Commissioners Court, to-wit:

Lina Hidalgo	County Judge
Rodney Ellis	Commissioner, Precinct 1
Adrian Garcia	Commissioner, Precinct 2
Tom S. Ramsey, P.E.	Commissioner, Precinct 3
Lesley Briones	Commissioner, Precinct 4

and all of such persons were present except _____, thus constituting a quorum, when among other business, the following was transacted:

Commissioner _____ introduced an order and made a motion that the same be adopted. Commissioner _____ seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

Yes No Abstain

Lina Hidalgo

Rodney Ellis

Adrian Garcia

Tom S. Ramsey, P.E.

Lesley Briones

The County Judge thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows

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SEVENTH AMENDED AND RESTATED ORDER AUTHORIZING THE ISSUANCE OF HARRIS COUNTY, TEXAS, GENERAL OBLIGATION UNLIMITED TAX COMMERCIAL PAPER NOTES, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$360,000,000 FOR THE PURPOSE OF PROVIDING MONEY FOR CERTAIN AUTHORIZED PURPOSES; APPROVING AND AUTHORIZING CERTAIN AUTHORIZED OFFICERS AND EMPLOYEES TO ACT ON BEHALF OF THE COUNTY IN THE SELLING AND DELIVERY OF SUCH NOTES, WITHIN THE LIMITATIONS AND PROCEDURES SPECIFIED HEREIN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, DELIVERY AND SECURITY OF THE NOTES, INCLUDING THE APPROVAL OF AN OFFERING MEMORANDUM AND RATIFYING AND CONFIRMING THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT, THE ISSUING AND PAYING AGENT AGREEMENT AND COMMERCIAL PAPER DEALER AGREEMENT

WHEREAS, Harris County, Texas (the "County") is authorized by Article III, Section 52 of the Constitution of the State of Texas, Chapter 1471, Texas Government Code, as amended ("Chapter 1471"), and an election held within the County on November 4, 1997 to issue \$356,000,000 in bonds for the purpose of providing funds for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, within and for the County and to provide for the payment of the principal of and interest on such obligations through the levy of an annual ad valorem tax, without limitation as to rate or amount, on all taxable property within the County;

WHEREAS, the County is further authorized by Article III, Section 52 of the Constitution of the State of Texas, Chapter 1471, and an election held within the County on November 6, 2001 (the "2001 Election") to issue \$475,000,000 in bonds for the purposes described in the preceding paragraph;

WHEREAS, pursuant to Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the County is authorized to issue all or any portion of the aforesaid obligations as commercial paper notes, to execute and deliver one or more credit agreements with respect to such commercial paper notes and execute and deliver credit agreement notes to evidence the County's reimbursement obligations under such credit agreements, all as provided in Chapter 1371;

WHEREAS, on December 30, 1997, the Commissioners Court of the County adopted an order (the "Order") (1) authorizing the issuance of the County's General Obligation Unlimited Tax Commercial Paper Notes, Series C (the "Notes") in a maximum aggregate principal amount of \$200,000,000 Outstanding at any time and (2) approving the Amended and Restated UBS Credit Agreement, dated January 1, 1998, with Union Bank of Switzerland, New York Branch ("UBS"), pursuant to which UBS agreed to provide a line of credit with respect to the principal portion of the Notes, the County's General Obligation Commercial Paper Notes, Series A (the "Series A Notes") and the County's General Obligation Commercial Paper Notes, Series B (the "Series B Notes");

WHEREAS, on December 5, 2000, the Commissioners Court adopted an order approving a Substitute Credit Agreement (the "Substitute Credit Agreement"), dated as of December 1, 2000, with The Bank of Nova Scotia, acting through its New York Agency, and Lloyds TSB Bank plc, New York Branch (together, the "Credit Provider") pursuant to which the Credit Provider agreed to provide a line of credit with respect to the principal portion of the Notes, Series A Notes and Series B Notes;

WHEREAS, on August 6, 2002, the Commissioners Court adopted an order, among other actions, (1) amending the order in a manner which the County deemed desirable and did not, in the judgment of the

County, have a material adverse effect on the interests of the Owners of the Outstanding Notes, (2) declaring its intention to allow the Series A Program to expire by its own terms on March 1, 2003, (3) reallocating \$18,000,000 of the Commitment under the Substitute Credit Agreement supporting the Series A Notes to the Series B Notes and \$60,000,000 of the Commitment under the Substitute Credit Agreement supporting the Series A Notes to the Notes, (4) increasing the maximum aggregate principal amount of the Notes to \$260,000,000 Outstanding, plus interest, at any time and (5) approving an Amended and Restated Substitute Credit Agreement, Amended and Restated Dealer Agreement, Second Amended and Restated Issuing and Paying Agent Agreement and updated Offering Memorandum with respect to the Notes;

WHEREAS, at an election (the “2007 Election”) held on November 6, 2007, the voters of the County approved a proposition in the amount of \$190,000,000 for the purposes of: construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof (“road purposes”);

WHEREAS, on April 22, 2008, the Commissioners Court adopted an order, among other actions, (1) amending the order in a manner which the County deemed desirable and did not, in the judgment of the County, have a material adverse effect on the interests of the Owners of the Outstanding Notes and (2) approving an updated Offering Memorandum with respect to the Notes;

WHEREAS, at an election held on November 3, 2015 (the “2015 Election”), the voters of the County approved a proposition in the amount of \$700,000,000 for the construction, maintenance and operation of paved roads and bridges, of which \$60,000,000 shall be designated for subdivision street replacement and repair or in the aid thereof;

WHEREAS, on April 26, 2016, the Commissioners Court adopted an order, among other actions, (1) amending the Order to change the Authorized Purposes with respect to the unissued Notes, as provided in Section 6.1(a)(vi) of the Order; (2) approving the preparation, execution and delivery of a Third Amended and Restated Order to incorporate into a single document the amendments set forth therein; and (3) approving an updated Offering Memorandum with respect to the Notes;

WHEREAS, on December 14, 2021, the Commissioners Court adopted a Fifth Amended and Restated Order, among other actions (1) authorizing and approving the execution and delivery of a substitution Credit Agreement with Sumitomo Mitsui Banking Corporation, acting through its New York Branch in the form of a Direct Pay Letter of Credit with a Reimbursement Agreement, (2) approving the Issuing and Paying Agent Agreement and (3) approving an updated Offering Memorandum with respect to the Notes;

WHEREAS, at an election held on November 8, 2022 (the “2022 Election”), the voters of the County approved a proposition in the amount of \$900,000,000 for the construction, maintenance, operation and road drainage of macadamized, graveled or paved roads, or in aid thereof, including acquiring land and rights-of-way therefor, road drainage, bike lanes, sidewalks and shared use paths, and replacement and improvement of road bridges and culverts;

WHEREAS, on November 15, 2022, the Commissioners Court adopted the Sixth Amended and Restated Order, among other actions (1) authorizing and approving an increase in the maximum aggregate principal amount of the Notes from \$260,000,000 to \$360,000,000; (2) authorizing and approving the execution and delivery of a first amendment to the Reimbursement Agreement with Sumitomo Mitsui Banking Corporation, acting through its New York Branch, and related Letter of Credit and (3) approving an updated Offering Memorandum with respect to the Notes;

WHEREAS, the County is authorized by Article III, Section 52 of the Constitution of the State of Texas, Article 726, Vernon's Texas Civil Statutes, Chapter 1371, Texas Government Code, as amended, and the 2007 Election, the 2015 Election and the 2022 Election to issue an additional \$190,000,000, \$700,000,000 and \$900,000,000, respectively, in Notes for road purposes;

WHEREAS, the County hereby ratifies and confirms that the Credit Agreement (hereinafter defined) constitutes a "credit agreement" within the meaning of the Act;

WHEREAS, arrangements relating to this financing have been settled and the County hereby ratifies and confirms that the issuance of the Notes and the prior execution and delivery of the Credit Agreement and the Loan Notes (hereinafter defined), subject to the terms, conditions and limitations therein prescribed, have been approved and are ratified and confirmed at this time;

WHEREAS, the County intends to refinance the Notes and any Loan Notes under the previously approved Credit Agreement with refunding bonds issued under Chapter 1207, Texas Government Code, as amended, which bonds are expected to be issued as fixed-rate obligations (at then current market rates for similarly rated tax-exempt debt) payable in substantially equal annual installments of debt service (when principal and interest are considered annually in the aggregate) over a total term of forty (40) years; and

WHEREAS, this Seventh Amended and Restated Order constitutes a restatement of the Order, as amended on January 10, 2023;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS THAT:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1. DEFINITIONS. Throughout this Order (except in the FORM OF NOTES), in addition to the terms defined in the recitals of this Order, the following terms and expressions used herein shall have the meaning specified in this Section.

"2001 Election" means that election held within the County on November 6, 2001 that authorized the issuance by the County, in one or more installments, of obligations for certain Authorized Purposes, and provided for the payment of principal of and interest on such obligations through the levy of an annual ad valorem tax, without limitation as to rate or amount, on all taxable property within the County.

"2007 Election" means that election held within the County on November 6, 2007 that authorized the issuance by the County, in one or more installments, of obligations for certain Authorized Purposes, and provided for the payment of principal of and interest on such obligations through the levy of an annual ad valorem tax, without limitation as to rate or amount, on all taxable property within the County.

"2015 Election" means that election held within the County on November 3, 2015 that authorized the issuance by the County, in one or more installments, of obligations for certain Authorized Purposes, and provided for the payment of principal of and interest on such obligations through the levy of an annual ad valorem tax, without limitation as to rate or amount, on all taxable property within the County.

"2022 Election" means that election held within the County on November 8, 2022 that authorized the issuance by the County, in one or more installments, of obligations for certain Authorized Purposes, and provided for the payment of principal of and interest on such obligations through the levy of an annual ad valorem tax, without limitation as to rate or amount, on all taxable property within the County.

“Act” means Chapter 1371, Texas Government Code, as amended.

“Attorney General” means the Attorney General of the State of Texas.

“Authorized Denomination” means, with respect to the Notes, \$100,000 principal amount, and integral multiples of \$1,000 thereafter.

“Authorized Purposes” means the purposes for which Notes may be issued, as described in Section 2.1 (b) hereof, as the same may be modified or amended from time to time pursuant to Section 6.1(a)(vi).

“Authorized Representative” means that person designated as the Authorized Representative in writing and delivered to the Issuing and Paying Agent and the Dealer pursuant to Section 3.5 hereof. The initial Authorized Representatives shall be the County Judge, the County Clerk, the Executive Director, Office of Management and Budget or Deputy Executive Director, Office of Management and Budget or such person(s) designated in writing by the County Judge, County Clerk, Executive Director, Office of Management and Budget or the Deputy Executive Director, Office of Management and Budget to serve in such capacity pursuant to Section 3.5 hereof.

“Business Day” means any day other than (i) a Saturday, Sunday or other day on which commercial banks located in the states of New York or Texas are authorized or required by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

“Commissioners Court” means the Commissioners Court of Harris County, the governing body of the County.

“Commitment” means the maximum amount available to be drawn as Loans under the Credit Agreement for the payment of principal on the Notes, as such amount may be reduced and reinstated from time to time as provided in the Credit Agreement.

“County” means Harris County, Texas.

“Credit Agreement” means the credit agreement with respect to the Notes approved previously entered into between the County and the Credit Provider pursuant to Section 3.3, which is hereby ratified and confirmed, as such agreement from time to time may be amended or supplemented in accordance with the terms thereof, or any other credit agreement(s) between the County and Credit Provider(s) provided in lieu thereof in accordance with the provisions of Section 3.3. The Credit Agreement may provide credit, liquidity or both, and may be in any form and may bear any title so long as it constitutes a credit agreement within the meaning of the Act. The current form of the Credit Agreement is a Direct Pay Letter of Credit with Reimbursement Agreement.

“Credit Provider” means any provider of credit pursuant to a Credit Agreement. The Credit Provider is Sumitomo Mitsui Banking Corporation, acting through its New York Branch.

“Dealer” means the County’s commercial paper dealer or co-dealers appointed pursuant to Section 3.4 of this Order.

“Dealer Agreement” means the second amended and restated agreement between the County and the Dealer dated August 6, 2002, the terms and conditions of which were previously approved and are hereby ratified and confirmed, as the same shall from time to time be in effect, pursuant to the provisions of Section 3.4 hereof.

“DTC” means The Depository Trust Company, New York, New York, or any successor securities depository.

“DTC Letter of Representations” means an agreement by and among the County, the Issuing and Paying Agent and DTC, substantially in the form attached hereto as **Exhibit B**, regarding DTC’s services as securities depository for the Notes and DTC’s book-entry only system of transfer for the Notes.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing operations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlements of securities transactions among DTC Participants.

“Elections” means, together, the 2001 Election, 2007 Election, 2015 Election and 2022 Election.

“Fiscal Year” means the fiscal year of the County, currently beginning on October 1 of any year and ending on the last day of September of the next succeeding year.

“Interest Rate” means the interest rate borne by any Note.

“Issuing and Paying Agent” means, U.S. Bank Trust Company, National Association, when acting in such capacity, or any successor issuing and paying agent appointed pursuant to this Order.

“Issuing and Paying Agent Agreement” means that agreement between the County and the Issuing and Paying Agent, dated January 10, 2022, the terms and conditions of which were previously approved and are hereby ratified and confirmed.

“Loan” means a loan to the County pursuant to the Credit Agreement.

“Loan Note” means any promissory note executed and delivered by the County to the order of the Credit Provider to evidence a Loan made by the Credit Provider to the County under the Credit Agreement.

“Master Note” means the form of Note issued in book-entry form only and registered in the name of Cede & Co., as nominee of DTC or another securities depository pursuant to Section 2.8, which is intended to evidence the County’s aggregate obligations under the Notes.

“Maximum Rate” means the lesser of (i) maximum “net effective interest rate” allowable under Chapter 1204, Texas Government Code, as amended, which is currently 15%, or (ii) such lesser maximum rate as shall from time to time be authorized by Commissioners Court, which initially shall be 10%; provided with respect to obligations payable to the Credit Provider pursuant to the Credit Agreement and the related Fee Letter (as defined in the Credit Agreement) the Maximum Rate shall mean the maximum “net effective interest rate” allowable under Chapter 1204 Texas Government Code.

“Maximum Maturity Date” means, (i) with respect to any Note issued prior to April 15, 2008, January 1, 2028, (ii) with respect to any Note issued on or after April 15, 2008 but prior to January 10, 2023, April 15, 2038 and (iii) with respect to any Note issued on or after January 10, 2023, January 1, 2053; provided, however, that for any Notes issued pursuant to an Election, no Note may mature beyond the maximum maturity date approved at the Election pursuant to which the issuance of such Note has been authorized.

“Notes” means the County’s General Obligation Unlimited Tax Commercial Paper Notes, Series C, authorized by this Order, and, whenever such Notes are authorized to be issued in book-entry-only form pursuant to Section 2.8, such term shall refer to the County’s obligations under the Notes, which obligations shall be evidenced by one or more Master Notes as herein provided.

“Order” means this order authorizing the issuance and sale of the Notes, as it may from time to time be amended or supplemented pursuant to the provisions contained herein.

“Outstanding” means, as of the date of determination, all Notes therefore delivered under this Order, except:

(1) Notes therefore cancelled and delivered to the County or to the Issuing and Paying Agent for cancellation;

(2) Notes upon transfer of or in exchange for and in lieu of which other Notes have been delivered pursuant to this Order; and

(3) Notes under which obligations of the County have been released, discharged or extinguished in accordance with the terms thereof;

provided, however, that while the Notes are issued in book-entry only form, as authorized by Section 2.8, “Outstanding” shall mean, as of the date of determination, all Notes theretofore authorized to be issued under such book-entry only system and not theretofore released, discharged or extinguished in accordance with the terms of such book-entry system or the terms of this Order.

“Person” means any individual, corporation, partnership, joint venture, unincorporated association, association, trust, joint stock company, unincorporated organization, government or government agency or other legal entity capable of carrying on a trade or business.

“Principal Amount” means, with respect to any Note, the stated principal amount of such Note, and with respect to any Loan or Loan Note, the outstanding principal balance thereof

“Register” means the books of registration for the Notes maintained by the Issuing and Paying Agent.

“Registered Owner” or “Owner” means the Person or entity in whose name any Note is registered in the Register.

Section 1.2. RULES OF CONSTRUCTION. (a) For all purposes of this Order, unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this Order.

(b) Except where the context otherwise requires, terms defined in this Order to impart the singular number shall be considered to include the plural number and vice versa.

(c) Except where the context otherwise requires, “includes,” “includes,” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such word or words of like import.

Section 1.3. INTERPRETATIONS. The table of contents, titles and headings of the articles and sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ARTICLE II

AUTHORIZATION OF NOTES

Section 2.1. GENERAL AUTHORIZATION. (a) Pursuant to authority conferred by and in accordance with the provisions of the Election, the Act and all other applicable law, including Chapters 1201 and 1471, Texas Government Code, as amended, the Notes shall be and are hereby authorized to be issued in an aggregate Principal Amount not to exceed THREE HUNDRED SIXTY MILLION DOLLARS

(\$360,000,000), in accordance with and subject to the terms, conditions and limitations contained herein; provided, however that the Principal Amount of Notes authorized to be issued hereunder shall be reduced by the Principal Amount of any Notes or Loan Notes paid by the County other than by means of a refunding or a refinancing through the issuance of Notes or through Loans; and the Loan Notes to be issued to the Credit Provider are hereby approved pursuant to the terms and in the amounts provided for in the Credit Agreement, for the purpose of evidencing the County's obligation to repay Loans, if any, made by the Credit Provider to the County pursuant to the Credit Agreement; provided, however, that the aggregate Principal Amount of Notes at any time evidenced by Outstanding Notes shall never exceed \$360,000,000. For purposes of this Section 2.1, any portion of Outstanding Notes or the Loan Notes to be paid from money on deposit with the Issuing and Paying Agent and from the available proceeds of Notes or other obligations of the County issued on the day of calculation, including Loans shall not be considered Outstanding. Subject to any limitations contained herein, in the Election and in the Act, the authority to issue Notes from time to time under the provisions of this Order shall exist until the Maximum Maturity Date.

(b) The Notes may be issued for the purpose of providing funds for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, within and for the County, which purpose is more fully described, authorized and provided in the legal proceedings of the Elections, as follows: (i) \$475,000,000 pursuant to the 2001 Election; (ii) \$190,000,000 pursuant to the 2007 Election; (iii) \$700,000,000 pursuant to the 2015 Election, of which \$60,000,000 shall be designated for subdivision street replacement and repair or in the aid thereof and (iv) \$900,000,000 for the construction, maintenance, operation and road drainage of macadamized, graveled or paved roads, or in aid thereof, including acquiring land and rights-of-way therefor, road drainage, bike lanes, sidewalks and shared use paths, and replacement and improvement of road bridges and culverts; provided that the amount of Notes issued for road purposes pursuant to the 2022 Election, together with the amount of notes issued under the Harris County, Texas General Obligation Commercial Paper Notes, Series D Program for road purposes pursuant to the 2022 Election, may not exceed \$900,000,000. Notes may also be issued to refinance, renew or refund Notes, Loans, Loan Notes (at par), and to pay the costs and expenses of the issuance of the Notes, including fees for professional services. On each date that the Notes are initially issued (*i.e.*, other than to refinance, renew or refund Notes or Loan Notes), the Authorized Representative shall designate the Election pursuant to which such Notes are issued. Notwithstanding the foregoing provisions in this subchapter (b), the Notes may never be issued in an amount greater than the voted authorizations as described herein.

Section 2.2. TERMS APPLICABLE TO NOTES. (a) The Notes shall be designated "Harris County, Texas, General Obligation Unlimited Tax Commercial Paper Notes, Series C" and shall be dated as of their date of issuance. Under and pursuant to the authority granted hereby and subject to the limitations contained herein, the Notes are authorized to be issued, sold and delivered from time to time in such Principal Amounts (in Authorized Denominations) and bearing interest at such Interest Rates (not to exceed the Maximum Rate) payable at maturity of each Note as determined by an Authorized Representative, numbered in ascending consecutive numerical order in the order of their issuance and to mature and become due and payable on such date as an Authorized Representative shall determine at the date of sale; provided, however, that no Note shall (i) mature after the Maximum Maturity Date, (ii) have a term in excess of 270 days, (iii) have a term beyond the third Business Day prior to the scheduled expiration date for the Credit Agreement relating to such Note or (iv) be issued at any time that a "no issuance notice" has been issued by the Credit Provider pursuant to the Credit Agreement which provides that such Note would not be entitled to the security provided by the Credit Agreement; and further provided, however, that no Loan Note shall mature after the Maximum Maturity Date.

(b) The Notes shall be issued in registered form without interest coupons. The principal of and interest on the Notes shall be payable in lawful money of the United States of America, without exchange or collection charges to the Owners or holders thereof, upon presentation and surrender of the Notes at the principal corporate trust office of the Issuing and Paying Agent.

Section 2.3. FORM OF NOTES. The Notes and the Certificate of Authentication to appear on each of the Notes and any Master Notes shall be substantially in the forms set forth in **Exhibit A** to this Order, with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Order, and may have such letters, numbers or other marks of identification, including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association (“CUSIP Numbers”), such legends and endorsements thereon and such opinions of bond counsel as may, consistent herewith, be approved by an Authorized Representative. Any portion of the text of any Note or Master Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note or Master Note. The Notes and Master Note shall be printed, lithographed, engraved or produced in any other similar manner, or typewritten, all as determined and approved by the Authorized Representative.

Section 2.4. EXECUTION; AUTHENTICATION. (a) The Notes shall be executed for and on behalf of the County by the County Judge and countersigned by the County Clerk and registered by the County Treasurer, under the County’s seal reproduced or impressed thereon and attested by the County Clerk. The signature of such officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers on the date of passage of this Order shall be deemed to be duly executed on behalf of the County, notwithstanding that such individuals or any of them shall cease to hold such offices at the time of the initial sale and delivery of any Notes authorized to be issued hereunder and with respect to Notes delivered in subsequent sales, exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

(b) No Note shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided in **Exhibit A**, executed by the Issuing and Paying Agent by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

Section 2.5. ISSUING AND PAYING AGENT. (a) The prior selection and appointment of U.S. Bank Trust Company, National Association, to serve as the Issuing and Paying Agent for the Notes is hereby ratified and confirmed. The Issuing and Paying Agent Agreement is hereby ratified and confirmed. Execution and delivery of the Issuing and Paying Agent Agreement by the County Judge or another Authorized Officer and any other documents called for thereunder (including any amendments required pursuant to Section 2.8 in order to implement a book-entry system for the Notes and any authorizations with respect to the investment of any County funds held by the Issuing and Paying Agent) is also hereby ratified and confirmed. Pursuant to the terms of the Act, the County delegates to the Authorized Representative the authority to appoint, replace or consent to the replacement or appointment of any Issuing and Paying Agent and/or to execute and enter into or to consent on behalf of the County a Paying Agent/Registrar Agreement.

(b) The County covenants to maintain and provide an Issuing and Paying Agent at all times while the Notes are Outstanding, which shall be a national or state banking association or corporation organized and doing business under the laws of the United States of America or of any state and authorized under such laws to exercise trust powers. If a change in the Issuing and Paying Agent for the Notes occurs, the County agrees to promptly cause a written notice thereof to be published in a financial newspaper or journal of general circulation in the City of New York, New York, once during each calendar week for at least two calendar weeks. Such notice shall give the address of the successor Issuing and Paying Agent. A successor Issuing and Paying Agent may be appointed without the consent of the Owners.

(c) The Issuing and Paying Agent, upon reasonable request from the County; will provide to the County a list of all Outstanding Notes setting forth the Principal Amount, the issue date, the Note number, the maturity date and the rate and amount of interest for each Outstanding Note.

(d) Amounts held by the Issuing and Paying Agent which represent principal of and interest on the Notes remaining unclaimed after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Issuing and Paying Agent in accordance with the provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

Section 2.6. NOTES MUTILATED, LOST OR DESTROYED OR STOLEN. If any Note shall become mutilated, the County, at the expense of the Registered Owner of such Note, shall execute and the Issuing and Paying Agent shall authenticate and deliver a new Note of like tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Issuing and Paying Agent of the Note so mutilated. If any Note shall be lost destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Issuing and Paying Agent and if such evidence shall be satisfactory to them and indemnity satisfactory to them shall be given, the County, at the expense of the Registered Owner, shall cause the Issuing and Paying Agent to authenticate and deliver a new Note of like tenor in lieu of and in substitution for the Note so lost, destroyed or stolen. In the event any such Note shall have matured, the Issuing and Paying Agent, instead of issuing a duplicate Note, may pay the same without surrender thereof after making such requirement as it deems fit for its protection, including a lost instrument bond. Neither the County nor the Issuing and Paying Agent shall be required to treat both the original Note and any duplicate Note as being Outstanding for the purpose of determining the Principal Amount of Notes which may be issued hereunder, but both the original and the duplicate Note shall be treated as one and the same. The County and the Issuing and Paying Agent may charge the Registered Owner of such Note their reasonable fees and expenses for such service.

Section 2.7. NEGOTIABILITY, REGISTRATION AND EXCHANGEABILITY. The Notes issued hereunder are negotiable instruments under the laws of the State of Texas and investment securities under the terms of Chapter 8, Business and Commerce Code, Texas Codes Annotated, as amended, and each successive Registered Owner in accepting any of the Notes shall be conclusively deemed to have agreed that such Notes shall be and have all of the qualities and incidents of negotiable instruments and investment securities under such laws.

The Issuing and Paying Agent shall keep the Register at its principal corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Issuing and Paying Agent shall provide for the registration and transfer of the Notes in accordance with the terms of this Order. The Issuing and Paying Agent shall also keep a copy of the Register in the State of Texas at the Issuing and Paying Agent's office in Houston, Texas, and such copy shall be kept current by the Issuing and Paying Agent.

Notes may be exchanged by the Registered Owners for other Notes of like tenor and character and of Authorized Denominations and having the same issue date, maturity and Interest Rate and of like aggregate Principal Amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the office of the Issuing and Paying Agent. Whenever any Notes are so surrendered for exchange, the Issuing and Paying Agent shall deliver new Notes of like tenor and character as the Notes exchanged, registered to the original Registered Owner, to any successor Registered Owner, executed on behalf of, and furnished by, the County, to the Registered Owner thereof requesting the exchange.

The County and the Issuing and Paying Agent may charge the Registered Owner a sum sufficient to reimburse them for any expenses incurred in making any exchange. The Issuing and Paying Agent or the County may also require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered.

New Notes delivered upon any exchange shall evidence the same debt as the Notes surrendered, shall be secured by this Order and shall be entitled to all of the security and benefits hereof to the same

extent as the Notes surrendered.

The County reserves the right to change the exchange provisions at any time on or prior to the delivery thereof in order to comply with applicable laws and regulations of the State of Texas or of the United States of America in effect at the time of issuance thereof. The Issuing and Paying Agent shall be promptly notified of any change in the exchange provisions of the Notes.

Section 2.8. THE DEPOSITORY TRUST COMPANY. (a) The County has determined to issue the Notes in book-entry form and hereby appoints The Depository Trust Company, New York, New York (“DTC”) to serve as the initial securities depository for the Notes and to maintain a book-entry only system of recording the ownership and transfer of ownership of beneficial interests in the Notes in accordance with this Section 2.8. So long as DTC acts as the securities depository for the Notes, the County’s obligations with respect to the Notes shall be evidenced by one or more Master Notes (in lieu of individual certificates representing each of the individual Notes) registered in the name of Cede & Co., as nominee of DTC, as Registered Owner of the Master Notes and held in the custody of DTC.

(b) Notwithstanding any provision of this Order to the contrary, unless the County shall otherwise direct, one or more Master Notes (evidencing all of the County’s obligations under the Notes) shall be issued in lieu of individual Notes, which Master Notes shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Master Notes, and held in the custody of DTC. Beneficial owners of Notes will not receive physical delivery of Notes except as provided hereinafter as long as DTC shall continue to serve as securities depository for the Notes as provided herein, all transfers and beneficial ownership interests in the Notes will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership interests in the Notes is to receive, hold or deliver any Notes; provided, that, if DTC fails or refuses to act as securities depository for the Notes, the County shall take the actions necessary to provide for the issuance of certificates to the Registered Owners of such Notes.

With respect to Master Notes registered in the name of Cede & Co., as nominee of DTC, the County and the Issuing and Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the County and the Issuing and Paying shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Notes, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown in the Register, of any notice with respect to the Notes, including any notice of redemption or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the Register, of any amount with respect to the principal of, premium, if any, or interest on the Notes.

(c) In the event that (i) DTC determines not to continue to act as securities depository for the Notes (which determination shall become effective not less than ninety (90) days after written notice to such effect is given to the County and the Issuing and Paying Agent); (ii) the County or the Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes) that DTC is incapable of discharging its responsibilities described herein and in the DTC Letter of Representations; or (iii) the County or the Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes) that it is in the best interests of the beneficial owners of the Notes not to continue DTC’s book-entry only system of transfer for the Notes, then the County shall use its best efforts to appoint a successor securities depository, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended. In the event of such an appointment, the County shall notify (a) DTC of the appointment of such successor securities depository and transfer one or more separate Notes to such successor securities depository or (b) DTC Participants of the availability through DTC of Notes and transfer one or more separate Notes to DTC

Participants having Notes credited to their DTC accounts. In such event, the Master Notes and Notes shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Notes shall designate, in accordance with the provisions of this Order.

In the event that the County fails to appoint a successor securities depository for the Notes, the County shall execute and cause to be authenticated and delivered replacement Notes, in certificate form, to the beneficial owners of the Notes.

(d) Notwithstanding any other provision of this Order to the contrary, as long as any Master Notes or the Notes are registered in the name of Cede & Co., as nominee of DTC, (i) all payments with respect to the principal of and interest on the Notes and all notices with respect to such Notes shall be made and given, respectively, in accordance with DTC's Letter of Representations; (ii) the requirements of this Order of holding, delivering or transferring Notes shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC, and (iii) delivery of the Master Notes and the Note will be in accordance with arrangements among the County, the Issuing and Paying Agent and DTC.

(e) If at any time DTC ceases to hold the Master Notes or the Notes in book-entry only form, all references herein to DTC shall be of no further force or effect.

(f) The terms and provisions of the DTC Letter of Representations are hereby approved, and the County Judge is hereby authorized to execute and deliver such DTC Letter of Representations on behalf of the County in multiple counterparts, and the County Clerk is hereby authorized and directed to attest thereto and to place the County's seal thereon.

Section 2.9. NOTE PAYMENT ACCOUNT. (a) The prior establishment of the "Harris County, Texas, General Obligation Unlimited Tax Commercial Paper Notes, Series C Payment Account" (the "Note Payment Account") is hereby ratified and confirmed. The Note Payment Account shall contain the following subaccounts:

(i) Interest Payment Subaccount; and

(ii) Principal Payment Subaccount (which may contain within it one or more subaccounts for Loans).

(b) The County shall deposit into the Interest Payment Subaccount of the Note Payment Account no later than the first Business Day of each month (and more frequently as needed) amounts sufficient to pay all interest on the Notes maturing in such month and all interest on the Loan Notes payable in such month for which there are not amounts already on deposit in the Interest Payment Subaccount, which amounts shall be used for the purpose of paying interest on maturing Notes and interest on the Loan Notes.

(c) The proceeds from the sale of Notes issued for the purpose of refunding, renewing and refinancing the Principal Amount of other Notes issued under this Order shall be deposited to the credit of the Principal Payment Subaccount of the Note Payment Account and shall be used for the purpose of paying the Principal Amount of maturing Notes or the Principal Amount of the Loan Notes.

(d) The proceeds of Loans under the Credit Agreement shall be deposited to the credit of the Principal Payment Subaccount (or a special subaccount therein for such purpose) of the Note Payment Account and used solely for the purpose of paying the Principal Amount of maturing Notes.

(e) To the extent funds described in subsection (c) and (d) above are not available or sufficient

for the payment of the Principal Amount of the Notes and the Loan Notes as they mature, the County shall pay to the Issuing and Paying Agent such additional amounts as shall be necessary for such purpose for deposit into the Principal Payment Subaccount of the Note Payment Account to be used for such purpose.

(f) In order to assist the County in fulfilling its obligations under Article VII, or if otherwise beneficial to the County, the Authorized Representative may request that separate accounts or subaccounts be established for the Notes, all of which shall constitute the Note Payment Account.

(g) On or before each maturity date of Notes or Loan Notes, the County shall transfer from the Note Payment Account to the Issuing and Paying Agent an amount equal to the principal and interest payable on such Notes or Loan Notes on such date, together with an amount equal to all bank charges and others costs and expenses relating to such payment.

Section 2.10. CANCELLATION. All Notes which at maturity are surrendered to the Issuing and Paying Agent for the collection of the Principal Amount thereof and payment of interest thereon at the Interest Rate or are surrendered for exchange pursuant to the provisions hereof shall, upon payment or issuance of new Notes, be cancelled by the Issuing and Paying Agent and forthwith transmitted to the County, and the County thereafter shall have the custody of all thereof.

Section 2.11. FISCAL AND OTHER AGENTS. In furtherance of the purposes of this Order, the County may from time to time appoint and provide for the payment of such additional fiscal, paying or other agents or trustees as it may deem necessary or appropriate in connection with the Notes. Notice of any such appointment shall be provided promptly to the Credit Provider.

ARTICLE III

ISSUANCE AND SALE OF NOTES; CREDIT AGREEMENT; AND DEALER

Section 3.1. ISSUANCE AND SALE OF NOTES. (a) Subject to applicable terms, limitations and procedures contained herein, the Notes may be sold in such manner, at public or private sale, and bearing interest at such Interest Rates as an Authorized Representative shall approve at the time of sale thereof.

(b) The Notes shall be sold at par and delivered by the Issuing and Paying Agent in accordance with telephonic, computer or written instructions of the Authorized Representative and in the manner specified below and in the Issuing and Paying Agent Agreement. If such instructions are given by telephone, they shall be confirmed by facsimile transmission, electronically or in writing. Such instructions shall specify such Principal Amounts, Interest Rates, dates of issue, maturities and other terms and conditions which are hereby authorized and permitted to be fixed by an Authorized Representative at the time of sale of the Notes.

Section 3.2. PROCEEDS OF SALE OF NOTES. A Note Proceeds Account (and subaccounts therein) for the Notes may be created or established. Proceeds from each sale of the Notes (other than Notes issued to refund, renew or refinance other Notes, Loans or Loan Notes) shall be deposited into the Note Proceeds Account (or subaccounts therein). Amounts in such account shall be used for Authorized Purposes, including costs of issuance.

Section 3.3. CREDIT PROVIDERS AND CREDIT AGREEMENTS. (a) The First Amendment to the Credit Agreement was previously approved along with the related First Amendment to Fee Letter (as defined in the Credit Agreement) and the terms and conditions are hereby ratified, confirmed, and the execution and delivery of the Credit Agreement and any other documents called for thereunder by the County Judge is hereby ratified and confirmed. The Commissioners Court has determined that the Credit Agreement constitutes a "credit agreement" within the meaning of the Act.

(b) The County reserves the right to substitute one or more Credit Agreements for the Credit Agreement, with one or more Credit Providers, so long as:

(i) such substitution (or any assignment of all or any part of any Credit Agreement) takes effect on the Business Day on which all then Outstanding Notes are scheduled to mature;

(ii) such substitution (or any assignment of all or any part of any Credit Agreement) does not cause any rating agency then rating the Notes to withdraw, lower or suspend its short-term rating assigned to any Notes then Outstanding, as evidenced by written notice to the County;

(iii) the substitute Credit Agreement shall have a term of at least 271 days or until at least three Business Days after the last maturing Note;

(iv) the substitute Credit Agreement shall not cause the County to violate its covenants in Section 5.2 hereof; and

(v) the substitute Credit Agreement shall be approved by the Attorney General of Texas to the extent required by law.

(c) So long as any Notes remain Outstanding, the County covenants to maintain a Credit Agreement in full force and effect, pursuant to the terms of Section 5.2 of this Order.

(d) The County Judge is hereby authorized and directed to execute and deliver from time to time (and the County Clerk may attest) requests for or agreements relating to the extension of the term or final maturity of any Credit Agreement from time to time in effect and to take such other action as shall be necessary to obtain extensions of the term of any such Credit Agreement up until the Maximum Maturity Date or until such time as a substitute Credit Agreement is authorized hereunder.

Section 3.4. COMMERCIAL PAPER DEALER; DEALER AGREEMENT. So long as any Notes remain Outstanding, the County shall maintain in full force and effect an agreement pursuant to which it shall have appointed a Dealer for the Notes. The Dealer Agreement by and between the County and Goldman Sachs & Co., as the initial Dealer, pertaining to the sale, from time to time, of Notes or the purchase of Notes from the County, all for the fees as set forth in the Dealer Agreement, the terms and conditions of which were previously approved, is hereby ratified and confirmed. The prior execution and delivery of the Dealer Agreement by the County Judge is hereby ratified and confirmed. The County expressly reserves the right, without prior notification to or consent from the Owners of any Outstanding Notes to enter any supplemental agreements with the Dealer or with any successor Dealer selected by the County.

Section 3.5. AUTHORIZED REPRESENTATIVE. So long as any Notes remain Outstanding, the County shall at all times appoint an Authorized Representative for the purposes set forth in the Order, the Issuing and Paying Agent Agreement, the Credit Agreement and the Dealer Agreement and for the purpose of renewing any existing Credit Agreement upon the terms and conditions set out therein and herein. The persons from time to time holding the titles of Executive Director, Office of Management and Budget and Deputy Executive Director, Office of Management and Budget are hereby designated as the initial Authorized Representatives. The Authorized Representative shall have the authority to appoint (subject to the requirements of this Order, the Issuing and Paying Agent Agreement, the Credit Agreement and the Dealer Agreement) one or both of the Debt Manager, Office of Management and Budget and the Debt Management Analyst to act on behalf of the Authorized Representative. Any such appointment(s) shall be in writing and shall be delivered to the Dealer, Issuing and Paying Agent and Credit Provider within reasonable time after such appointment(s). The Authorized Representative is directed to follow such procedures and guidelines as may be adopted elsewhere with respect to the County's commercial paper

programs. Such restrictions may include restrictions as to the amount of commercial paper notes that may be issued during any period of time or the Maximum Rate or amount of interest which such commercial paper notes may bear during such period of time, which limitations may be for budgetary purposes or otherwise as determined by the County. The County Judge may designate a commercial paper working group to meet periodically to assist in the development of such procedures and guidelines and to monitor the operation of the County's commercial paper programs.

Section 3.6. OTHER AGREEMENTS. To the extent permitted by the Act or other applicable law, but only to the extent not inconsistent with the terms of the Outstanding Notes, the County expressly reserves the right to enter into, purchase or otherwise obtain one or more other agreements, commitments or guarantees with respect to interest and interest rates on or related to the Notes (including, without limitation, agreements relating to interest rate caps, collars, indexing, swaps and otherwise) and with respect to any derivatives or derivative products which the County may from time to time authorize in connection with or relating to its obligations under the Notes and this Order without further approval of the Attorney General of the State of Texas.

ARTICLE IV

SECURITY AND PAYMENT OF NOTES

Section 4.1. SECURITY AND PLEDGE. To provide security for the payment of the principal of and interest on the Notes and amounts due under the Credit Agreement and the related Fee Letter, including the Loan Notes, as the same shall become due and payable, there is hereby granted a lien on and pledge of the following, subject to the provisions of this Order permitting the application thereof for the purposes and on the term and conditions set forth herein: (i) the proceeds from the sale of Notes from time to time hereafter issued to pay Principal Amounts of Outstanding Notes and the Principal Amount of the Loan Notes but not to exceed \$360,000,000 principal amount of Notes Outstanding at any one time; (ii) proceeds from the sale of refunding bonds issued by the County from time to time hereafter for the purpose of paying the Principal Amounts of and interest on the Notes and the Loan Notes; (iii) Loans drawn to pay the Principal Amounts of Outstanding Notes; (iv) amounts held in each Note Payment Account established for the Notes; and (v) the proceeds of the tax levy set forth below in Section 4.2 below.

Section 4.2. TAX LEVY. (a) During any year while the Notes or the Loan Notes (including both principal and interest) are Outstanding or unpaid, the Commissioners Court shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the money required to provide for the payment of the interest thereon as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal thereon as such principal matures (but never less than 2% of the County's outstanding indebtedness, including the Principal Amount of the Notes and the Outstanding Principal Amount of the Loan Notes based upon any Loan then Outstanding at the time of such tax levy); and such tax shall be based on the latest approved tax rolls of the County, with full allowance being made for tax delinquencies and the cost of tax collection. Such rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, without limitation as to rate or amount, against all taxable property in the County for each year while any of the Notes or the Loan Notes or interest thereon are Outstanding; such tax shall be assessed and collected in each such year; and the proceeds of such tax shall be appropriated and applied to the payment of the interest on and principal of the Notes and the Loan Notes.

(b) There is hereby allocated, from lawfully available funds of the County, amounts sufficient to pay interest on the Notes reasonably anticipated to be issued and payable prior to the collection of the first tax levy for the Notes based upon Interest Rates actually authorized and/or the highest Interest Rates which the Authorized Representative is authorized to approve for payment during such period of time.

(c) In determining the amount of taxes to be levied and amount of other funds to be allocated

to the payment of principal and interest on the Notes from and after the first tax levy, the County may take into account any other sources of funding that are lawfully available or are to be lawfully available for payment of such principal and interest on the Notes and may take into account the Credit Agreement and any legal limitation regarding the maximum rate or amount of interest that the Authorized Representative may be authorized to approve in the issuance and sale of Notes from time to time.

Section 4.3. INVESTMENT OF FUNDS. Pending its use, money in any funds, accounts and subaccounts established or maintained hereunder may be invested by the County, or at the direction of the County, in such investments as are permitted by the laws of the State of Texas and the written investment policy of the County; provided, however that such investment does not inhibit the punctual payment of the principal of and interest on the Notes and provided further that no funds allocable to the payment of principal of and interest on the Notes shall be invested in any investments that would cause the withdrawal, lowering or suspension of any rating then assigned to the Notes by any rating agency, as evidenced by written notice to the County.

ARTICLE V

COVENANTS OF THE COUNTY

Section 5.1. LIMITATION ON ISSUANCE. (a) Unless this Order and the Credit Agreement are amended and modified by the Commissioners Court in accordance with the provisions hereof, the County covenants and agrees that there will not be issued and Outstanding under this Order at any time more than \$360,000,000 in aggregate Principal Amount of Notes.

(b) The County covenants and agrees that the total Principal Amount of all Notes Outstanding at any one time under this Order shall not exceed the available Commitment under the Credit Agreement.

(c) The County covenants and agrees that it shall limit the issuance of Notes in such a manner that it will never cause an increase in the total Principal Amount of Notes and Loans Outstanding under this Order to exceed the amount for which the County has sufficient funds available for payment as the same become due and payable, taking into account the taxes levied by the County pursuant to Section 4.2 hereof plus all other amounts lawfully available to the County for such payment pursuant to the Credit Agreement and from other lawful sources.

Section 5.2. MAINTENANCE OF AN AVAILABLE CREDIT AGREEMENT. The County agrees and covenants that at all times while there are Outstanding Notes it will maintain one or more Credit Agreements providing essentially the same level of liquidity to the County as provided by the Credit Agreement, in a Commitment amount sufficient to pay the Principal Amount of all such Notes. No Notes shall be issued if to do so would cause the aggregate Principal Amount of all Notes covered by the Credit Agreement to exceed the Commitment under the Credit Agreement. The availability for borrowing of such amounts under the Credit Agreement may be subject to reasonable conditions precedent, including, but not limited to, bankruptcy of the County and absence of default by the County under any of its general obligation debt. In furtherance of the foregoing covenant, the County agrees that it will not issue any Notes or make any borrowings which will result in a violation of such covenant, will not amend the Credit Agreement in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for new Credit Agreements prior to, or contemporaneously with, the expiration of the Credit Agreement or any subsequent Credit Agreement.

ARTICLE VI

AMENDMENTS

Section 6.1. AMENDMENT OF ORDER. (a) Amendments Without Consent. This Order may be modified or amended at any time without notice to or the consent of any Owner of Outstanding Notes, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the County contained in this Order, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the County in this Order;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Order for the purpose of more clearly expressing the intent of this Order;

(iii) To supplement the security for the Outstanding Notes issued hereunder, replace or provide additional Credit Agreements, or change the form of the Notes issued hereunder or make such other changes in the provisions hereof as the County may deem necessary or desirable and which shall not, in the judgment of the County, have a material adverse effect on the interests of the Owners of the Outstanding Notes issued hereunder;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Notes issued hereunder, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the County, materially adversely affect the interests of the Owners of the Outstanding Notes issued hereunder; To provide for the replacement of the Dealer or the Dealer Agreement or the Issuing and Paying Agent or the Issuing and Paying Agent Agreement as permitted herein;

(v) To change the Authorized Purposes with respect to any unissued Notes; or

(vi) To make any other modifications and amendments that will not become effective until the earlier of (x) 270 days or (y) the Business Day next following the final maturity of the Notes Outstanding on the day such modification or amendment is adopted.

(b) Amendments With Consent. Subject to the other provisions of this Order, the Owners of a majority in aggregate Principal Amount of Outstanding Notes issued hereunder shall have the right from time to time to approve any amendment, other than amendments described in Subsection (a) of this Section, to this Order which may be deemed necessary or desirable by the County; provided, however that nothing herein contained shall permit or be construed to permit, without the approval of the Owners of all of the Outstanding Notes issued hereunder, the amendment of the terms and conditions in this Order or in the Notes so as to:

(i) Make any change in the maturity of the Outstanding Notes issued hereunder;

(ii) Modify the terms of payment of the principal of or interest on the Outstanding Notes issued hereunder, or impose any conditions with respect to such payment;

(iii) Affect the rights of the Owners of less than all Notes issued hereunder then Outstanding; or

(iv) Change the minimum percentage of the Principal Amount of Notes issued hereunder necessary for consent to such amendment.

(c) Notice. If at any time the County shall desire to amend this Order in a manner requiring the consent of the Owners of a majority in aggregate Principal Amount of Outstanding Notes, as provided in Section 6.1(b), the County shall cause notice of the proposed amendments to be sent not less than fourteen days prior to the date of approval of the amendments by the County by first class U.S. mail, postage prepaid, to each Owner at the address therefor shown on the Register at the close of business on the Business Day next preceding the date of mailing. Such notice shall briefly set forth the nature of the proposed amendments and the proposed effective date thereof and shall state that a copy thereof is on file at the office of the Authorized Representative and the principal corporate trust office of the Issuing and Paying Agent for inspection by all Owners of Notes issued hereunder.

(d) Receipt of Consents. Whenever at any time prior to the effective date of the proposed amendments the County shall receive an instrument or instruments executed by the Owners of at least a majority in aggregate Principal Amount of Outstanding Notes issued hereunder, which instrument or instruments shall refer to the proposed amendments described in such notice and which specifically consent to and approve such amendments in substantially the form of the copy thereof on file as aforesaid, the amendments shall become effective, with County approval, in substantially the same form.

(e) Effect of Amendments. Upon the adoption by the County of any order to amend this Order pursuant to the provisions of this Section, this Order shall be deemed to be amended in accordance with the amendatory order, and the respective rights, duties and obligations of the County and all the Owners of then Outstanding Notes issued hereunder and all future Notes issued hereunder shall thereafter be determined, exercised and enforced under this Order, as amended.

(f) Consent Irrevocable. Any consent given by any Owner of Outstanding Notes issued hereunder pursuant to the provisions of this Section shall be irrevocable during the period commencing on the date of the County's receipt of the consent and ending on the proposed effective date stated in the County's notice, and shall be conclusive and binding upon all future Owners of the same Notes during such period. Such consent may be revoked at any time after the proposed effective date stated in the notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the County, but such revocation shall not be effective if the Owners of a majority in aggregate Principal Amount of Outstanding Notes issued hereunder, prior to the attempted revocation, consented to and approved the amendment.

(g) Ownership. For the purpose of this Section, the fact of ownership of Notes hereunder by any Owner and the amount and the numbers of such Notes and the date of the holding of the same may be proved by the affidavit of the person claiming to be such Owner if such affidavit shall be deemed by the County to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depository, wherever situated, if such certificate shall be deemed by the County to be satisfactory, showing that at that date therein mentioned such person had on deposit with such trust company, bank, banker or other depository the Notes described in such certificate. The County may conclusively assume that such ownership continues until it receives written notice to the contrary.

Section 6.2. NOTICES TO RATING AGENCIES. The Authorized Representative shall give to each credit rating agency that has issued a rating on the Notes notice of each proposed amendment to this Order, and each increase or decrease in the Commitment under or other amendment to the Credit Agreement.

Section 6.3. OTHER CONSENTS. The County further agrees to provide any notices to and obtain any consents from the Credit Provider, Dealer, Issuing and Paying Agent or others to the extent required by the Credit Agreement, Dealer Agreement and Issuing and Paying Agent Agreement.

ARTICLE VII

TAX COVENANTS

Section 7.1. TAX EXEMPTION. The County intends that the interest on the Notes shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the “Code”) and all applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Notes. For this purpose, the County covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Notes (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Notes) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Notes to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Notes for federal income tax purposes. Without limiting the generality of the foregoing, the County shall comply with each of the following covenants:

(a) The County will use all of the proceeds of the Notes to (i) provide funds for Authorized Purposes and (ii) to pay the costs of issuing the Notes. The County will not use any portion of the proceeds of the Notes to pay the principal of or interest or redemption premium on, any other obligation of the County or a related person.

(b) The County will not directly or indirectly take any action or omit to take any action, which action or omission would cause the Notes to constitute “private activity bonds” within the meaning of Section 141(a) of the Code.

(c) Principal of and interest on the Notes will be paid solely from ad valorem taxes collected by the County, investment earnings on such collections, and as available, proceeds of the Notes.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Notes are delivered, the County reasonably expects that the proceeds of the Notes will not be used in a manner that would cause the Notes or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(e) At all times while the Notes are outstanding, the County will identify and properly account for all amounts constituting gross proceeds of the Notes in accordance with the Regulations. The County will monitor the yield on the investments of the proceeds of the Notes and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Notes. To the extent necessary to prevent the Notes from constituting “arbitrage bonds,” the County will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Notes to be less than the yield that is materially higher than the yield on the Notes.

(f) The County will not take any action or knowingly omit to take any action, if taken or omitted, would cause the Notes to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The County represents that not more than fifty percent (50%) of the proceeds of the Notes will be invested in nonpurpose investments (as defined in Section 148(f)(b)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the County reasonably expects that at least eighty-five percent (85%) of the spendable proceeds

of the Notes will be used to carry out the governmental purpose of the Notes within the three-year period beginning on the date of issue of the Notes.

(h) The County will take all necessary steps to comply with the requirement that certain amounts earned by the County on the investment of the gross proceeds of the Notes, if any, be rebated to the federal government. Specifically, the County will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Notes as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the County allocable to other obligations of the County or moneys which do not represent gross proceeds of any obligations of the County and retain such records for at least six years after the day on which the last outstanding Note is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Notes and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the County will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The County will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Notes that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Notes not been relevant to either party.

(j) The County will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Notes on such form and in such place as the Secretary may prescribe.

(k) The County will not issue or use the Notes as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Notes are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the County to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the County charged with the responsibility for issuing the Notes are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Notes and stating whether there are facts, estimates or circumstances that would materially change the County's expectations. On or after the date of issuance of the Notes, the County will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Note holders and any subsequent Note holder, and may be relied upon by the Note holders and any subsequent Note holder and bond counsel to the County.

In complying with the foregoing covenants, the County may rely upon an unqualified opinion issued to the County by nationally recognized bond counsel that any action by the County or reliance upon

any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Notes to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Order, the County's representations and obligations under the covenants and provisions of this Section 7.1 shall survive the defeasance and discharge of the Notes for as long as such matters are relevant to the exclusion of interest on the Notes from the gross income of the owners for federal income tax purposes.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. ORDER TO CONSTITUTE A CONTRACT; EQUAL SECURITY, ENFORCEMENT. In consideration of the acceptance of the Notes by the Owners thereof from time to time and the acceptance of the Credit Agreement by the Credit Provider, this Order shall be deemed to be and shall constitute a contract between the County and the Owners from time to time of the Notes and the Credit Provider and the annual assessment and collection of annual ad valorem taxes pursuant to the tax levy and pledge made in this Order by the County and the covenants and agreements set forth in this Order to be performed by the County shall be for the equal and proportionate benefit, security and protection of all Owners of the Notes and the Credit Provider without preference, priority or distinction as to security or otherwise of any of the Notes or any Loan Notes over any of the others by reason of time of issuance, sale or maturity thereof or otherwise of any cause whatsoever, except as expressly provided in or permitted by this Order. The payment of the Notes and the Loan Notes and performance by the County of its obligations hereunder and under the Credit Agreement may be enforced by mandamus or other appropriate proceeding.

Section 8.2. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Notes issued hereunder.

Section 8.3. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the Form of Notes, whenever under the terms of this Order or the Notes, the performance date of any provision hereof or thereof, including the payment of the principal of and interest on the Notes, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 8.4. LIMITATION OF BENEFITS WITH RESPECT TO THIS ORDER. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Order or the Notes is intended or should be construed to confer upon or give to any person other than the County, the Owners of the Notes, the Issuing and Paying Agent, the Dealer and the Credit Provider, any legal or equitable right, remedy or claim under or by reason of or in respect to this Order or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Order and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the County, the Owners of the Notes, the Issuing and Paying Agent, the Dealer and the Credit Provider as herein provided.

Section 8.5. APPROVAL OF ATTORNEY GENERAL. No Notes herein authorized to be issued shall be sold or delivered by County until the Attorney General shall have approved this Order, the Credit

Agreement and other agreements and proceedings as may be required in connection therewith, all as is required by the Act.

Section 8.6. APPROVAL OF OFFERING MEMORANDUM. The County hereby approves, and authorizes the use thereof by the Dealer in the offering of the Notes, the form of the initial Offering Memorandum for the Notes, a substantial draft of which is attached hereto in **Exhibit C**. The Authorized Representative is hereby authorized to approve any amendments and modifications and supplements thereto and the form of any subsequent or updated Offering Memorandum, to be used by the Dealer in the offering of the Notes, and the use thereof by the Dealer in connection therewith.

Section 8.7. NO RECOURSE AGAINST COUNTY OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Notes for any claim based thereon or on this Order or the Credit Agreement against any official, officer, agent or employees of the County or any person executing any Notes or any Credit Agreement.

Section 8.8. COSTS OF ISSUANCE. A portion of the proceeds of the Notes shall be applied to pay costs and expenses arising in connection with their issuance.

Section 8.9. FURTHER PROCEEDINGS. The County Judge, County Clerk, the Executive Director, Office of Management and Budget, Deputy Executive Director, Office of Management and Budget, the County Attorney, the County Treasurer or any one or more of such officials shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the seal and on behalf of the County such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Credit Agreement, the Dealer Agreement, the Issuing and Paying Agent Agreement, the Notes and the Loan Notes. In case any officer whose signature appears on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. In addition, subject to the further approval of the Commissioners Court, the County Judge, the Executive Director, Office of Management and Budget and Deputy Executive Director, Office of Management and Budget are hereby authorized to approve, subsequent to the date of the adoption of this Order, any amendments, revisions, modifications or deletions to the Credit Agreement, Dealer Agreement and Issuing and Paying Agent Agreement, including, but not limited to, extensions thereto, as may be required by any bond rating agency, as a condition to the granting or maintenance of a rating on the Notes or as may be necessary or desirable to carry out the purposes of this Order or protect the interests of the County. Further, the County Judge, Executive Director, Office of Management and Budget and Deputy Executive Director, Office of Management and Budget are hereby authorized to execute and/or deliver any certificates or other instruments requested by the Attorney General of the State of Texas concerning the County's ad valorem tax levy, its issuance of Notes and Loan Notes, and the calculation of funds sufficient to comply with this Order.

Section 8.10. OPEN MEETING. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Commissioners Court at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public at the Harris County Administration Building for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code and that this meeting has been open to the public as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Commissioners Court further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 8.11. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 8.12. EFFECTIVE DATE. This Order shall be in force and effect from and after its passage on the date shown below.

[Execution Page Follows]

PASSED AND ADOPTED this January 10, 2023.

HARRIS COUNTY, TEXAS

County Judge, LINA HIDALGO

ATTEST:

TENESHIA HUDSPETH
County Clerk and Ex Officio
Clerk of the Commissioners Court
Of Harris County, Texas

By: _____

(SEAL)

INDEX OF EXHIBITS

Exhibit A	Forms of Notes and Master Note
Exhibit B	DTC Letter of Representations
Exhibit C	Offering Memorandum

EXHIBIT A
FORM OF NOTE

Note
Number _____ Amount
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS

HARRIS COUNTY, TEXAS
GENERAL OBLIGATION UNLIMITED TAX COMMERCIAL PAPER NOTE
SERIES C

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Number of Days</u>	<u>Interest Rate</u>	<u>Interest Amount</u>
			%	\$

REGISTERED OWNER:

PRINCIPAL AMOUNT:

On the Maturity Date set forth above, for value received, HARRIS COUNTY, TEXAS (the “County”) promises to pay to the order of the party identified above, or registered assigns, upon presentation and surrender hereof at the principal corporate trust office of the Issuing and Paying Agent executing the “Certificate of Authentication” endorsed hereon and appearing below, or its successor, the Principal Amount set forth above, together with interest thereon, at the Interest Rate per annum set forth above computed on the actual number of days elapsed over a 365-day year, from the Issue Date set forth above to the Maturity Date set forth above, both principal of and interest on this obligation being payable in lawful money of the United States of America.

This Commercial Paper Note is one of an issue of commercial paper notes (the “Commercial Paper Notes”) which has been duly authorized and issued in accordance with the provisions of orders adopted by the Commissioners Court of the County on December 30, 1997, August 6, 2002, April 22, 2008, April 26, 2016, December 4, 2018, December 14, 2021, November 15, 2022 and January 10, 2023 (together, the “Order”) for the Authorized Purposes set forth in the Order and to refinance, renew or refund the principal amounts of Commercial Paper Notes previously issued pursuant to the provisions of the Order and certain amounts advanced under the Credit Agreement (as defined in the Order), all in accordance and in strict conformity with the Elections (as described and defined in the Order), the laws of the State of Texas, including Chapters 1201, 1371 and 1471, Texas Government Code, as amended. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Order.

Provision has been made for the payment of the principal amount of this Commercial Paper Note, together with the principal amount of other Commercial Paper Notes of this series and certain advances pursuant to the Credit Agreement, from the proceeds of sales of additional Commercial Paper Notes and advances under the Credit Agreement. Provision has further been made for the payment of the interest on and the principal of this Commercial Paper Note, together with the other Commercial Paper Notes of this series and the County’s obligations under the Credit Agreement, by the levy of annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of such Commercial Paper Notes, as

such interest comes due and as such principal matures, and such obligations under the Credit Agreement, and such taxes have been levied and ordered to be levied, without limitation as to rate or amount, against all taxable property in the County and have been irrevocably pledged for such payment.

It is hereby certified and recited that all acts, conditions and things required by law and the Order to exist, to have happened and to have been performed precedent to and in the issuance of this Commercial Paper Note, do exist, have happened and have been performed in regular and in due time, form and manner as required by law and that the issuance of this Commercial Paper Note, together with all other Commercial Paper Notes and the Loan Notes, is not in excess of the principal amount of such obligations permitted to be issued under the Order, the Elections and the Constitution and laws of the State of Texas.

This Commercial Paper Note has all the qualities and incidents of a negotiable instrument under the laws of the State of Texas and an "investment security" under Chapter 8, Business and Commerce Code, Texas Codes Annotated, as amended.

This Commercial Paper Note shall not be entitled to any benefit under the Order or be valid or become obligatory for any purpose until this Commercial Paper Note shall have been authenticated by the execution by the Issuing and Paying Agent of the Certificate of Authentication hereon.

IN TESTIMONY WHEREOF, this Commercial Paper Note has been executed with the manual or facsimile signatures of the County Judge, countersigned by the County Clerk and registered by the County Treasurer, and the seal of the County has been manually impressed or printed in facsimile hereon.

HARRIS COUNTY, TEXAS

County Judge

REGISTERED

COUNTERSIGNED:

County Treasurer

County Clerk

CERTIFICATE OF AUTHENTICATION

This Commercial Paper Note is one of the Commercial Paper Notes delivered pursuant to the within mentioned Orders.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Issuing and Paying Agent

By: _____
Authorized Signatory

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____ (Social Security or other identifying number_) the within Commercial Paper Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Commercial Paper Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Commercial Paper Note in every particular.

Signature guaranteed:

EXHIBIT B
DTC LETTER OF REPRESENTATIONS

The Depository Trust Company
A subsidiary of The Depository Trust & Clearing Corporation

**Book-Entry-Only Municipal Tax-Exempt Commercial Paper (TECP)
(Master Note) Program**

Letter of Representations

[To be completed by Issuer, Issuing Agent, and Paying Agent]

Harris County, Texas

[Name of Issuer]

[Name and DTC Participant Number of Issuing Agent and Paying Agent]

January 10, 2023

[Date]

Attention: Underwriting Department
The Depository Trust Company
18301 Bermuda Green Dr
Tampa, FL 33647

Re: Harris County, Texas
General Obligation Unlimited Tax Commercial Paper Notes, Series C

[Description of Program, including reference to the provision of the Securities Act of 1933, as amended,
pursuant to which Program is exempt from registration.]

Ladies and Gentlemen:

This letter sets forth our understanding with respect to certain matters relating to the issuance by Issuer from time to time of notes under its Municipal Commercial Paper--TECP program described above (the "Securities"). Issuing Agent shall act as issuing agent with respect to the Securities. Paying Agent shall act as paying agent or other such agent of Issuer with respect to the Securities. Issuance of the Securities has been authorized pursuant to a prospectus supplement, offering circular, or other such document dated _____.

Paying Agent has entered into a Money Market Instrument Certificate Agreement with The Depository Trust Company ("DTC") dated as of _____, pursuant to which Paying Agent shall act as custodian of a Master Note Certificate evidencing the Securities, when issued. Paying Agent shall amend Exhibit A to such Certificate Agreement to include the program described above, prior to issuance of the Securities.

To induce DTC to accept the Securities as eligible for deposit at DTC and to act in

accordance with its Rules with respect to the Securities, Issuer, Issuing Agent, and Paying Agent make the following representations to DTC:

1. The Securities shall be evidenced by a Master Note Certificate in registered form registered in the name of DTC's nominee, Cede & Co., and such Master Note Certificate shall represent 100% of the principal amount of the Securities. The Master Note Certificate shall include the substance of all material provisions set forth in the DTC model Municipal Commercial Paper -- TECP Master Note, a copy of which previously has been furnished to Issuing Agent and Paying Agent, and may include additional provisions as long as they do not conflict with the material provisions set forth in the DTC model.

2. Issuer: (a) understands that DTC has no obligation to, and will not, communicate to its participants ("Participants") or to any person having an interest in the Securities any information contained in the Master Note Certificate; and (b) acknowledges that neither DTC's Participants nor any person having an interest in the Securities shall be deemed to have notice of the provisions of the Master Note Certificate by virtue of submission of such Certificate to DTC.

3. Issuer or Issuing Agent has obtained from the CUSIP Service Bureau a written list of approximately 900 nine-character numbers (the basic first six characters of which are the same and uniquely identify Issuer and the Securities to be issued under its Municipal Commercial Paper - - TECP program described above). The CUSIP numbers on such list have been reserved for future assignment to issues of the Securities. At any time when fewer than 100 of the CUSIP numbers on such list remain unassigned, Issuer or Issuing Agent shall promptly obtain from the CUSIP Service Bureau an additional written list of approximately 900 such numbers.

4. When Securities are to be issued through DTC, Issuing Agent shall notify Paying Agent and shall give issuance instructions to DTC in accordance with DTC's Procedures, including Operational Arrangements and the Issuing/Paying Agent General Operating Procedures (the "MMI Procedures"), a copy of which previously has been furnished to Issuing Agent and Paying Agent. The giving of such issuance instructions, which include delivery instructions, to DTC shall constitute: (a) a representation that the Securities are issued in accordance with applicable law; and (b) a confirmation that the Master Note Certificate evidencing such Securities, in the form described in paragraph 1, has been issued and authenticated.

5. All notices and payment advises sent to DTC shall contain the CUSIP number of the Securities.

6. Issuer recognizes that DTC does not in any way undertake to, and shall not have any responsibility to, monitor or ascertain the compliance of any transactions in the Securities with the following, as amended from time to time: (a) any exemptions from registration under the Securities Act of 1933; (b) the Investment Company Act of 1940; (c) the Employee Retirement Income Security Act of 1974; (d) the Internal Revenue Code of 1986; (e) any rules of any self-regulatory organizations (as defined under the Securities Exchange Act of 1934); or (f) any other local, state, federal, or foreign laws or regulations thereunder.

7. If issuance of Securities through DTC is scheduled to take place one or more days after Issuing Agent has given issuance instructions to DTC, Issuing Agent may cancel such issuance by giving a cancellation instruction to DTC in accordance with the MMI Procedures.

8. At any time that Paying Agent has Securities in its DTC accounts, it may request withdrawal of such Securities from DTC by giving a withdrawal instruction to DTC in accordance with the MMI Procedures. Upon DTC's acceptance of such withdrawal instruction, Paying Agent shall reduce the principal amount of the Securities evidenced by the Master Note Certificate accordingly.

9. In the event of any solicitation of consents from or voting by holders of the Securities, Issuer, Issuing Agent, or Paying Agent shall establish a record date for such purposes (with no provision for revocation of consents or votes by subsequent holders) and shall send notice of such record date to DTC's Reorganization Department, Proxy Unit no fewer than 15 calendar days in advance of such record date. If sent by telecopy, such notice shall be directed to (212) 855-5181 or (212) 855-5182. If the party sending the notice does not receive a telecopy receipt from DTC such party shall confirm DTC's receipt of such telecopy by telephoning (212) 855-5187. For information regarding such notices, telephone The Depository Trust and Clearing Corporation's Proxy hotline at (212) 855-5191.

10. Paying Agent may override DTC's determination of interest and principal payment dates, in accordance with the MMI Procedures.

11. Notice regarding the amount of variable interest and principal payments on the Securities shall be given to DTC by Paying Agent in accordance with the MMI Procedures.

12. Paying Agent shall confirm with DTC daily, by CUSIP number, the face value of the Securities outstanding, and Paying Agent's corresponding interest and principal payment obligation, in accordance with the MMI Procedures.

13. DTC may direct Issuer, Issuing Agent, or Paying Agent to use any other telephone number or address as the number or address to which notices may be sent.

14. Payments on the Securities, including payments in currencies other than the U.S. Dollar, shall be made by Paying Agent in accordance with the MMI Procedures.

15. In the event that Issuer determines that beneficial owners of Securities shall be able to obtain certificated Securities, Issuer or Paying Agent shall notify DTC of the availability of certificates. In such event, Issuer or Paying Agent shall issue, transfer, and exchange certificates in appropriate amounts, as required by DTC and others.

16. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer, Issuing Agent or Paying Agent (at which time DTC will confirm with Issuer or Paying Agent the aggregate amount of Securities outstanding by CUSIP number). Under such circumstances, at DTC's request Issuer, Issuing Agent and Paying Agent shall cooperate fully with DTC by taking appropriate action to make available one or more separate certificates evidencing Securities to any Participant having Securities credited to its DTC accounts.

17. Nothing herein shall be deemed to require Issuing Agent or Paying Agent to advance funds on behalf of Issuer.

18. This Letter of Representations may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

19 This Letter of Representations shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to principles of conflicts of law.

20. The sender of each notice delivered to DTC pursuant to this Letter of Representations is responsible for confirming that such notice was properly received by DTC.

21. Issuing and/or Paying Agent represent to DTC that the Issuing and/or Paying Agent screened the name of the party in whose name a deposited Security certificate is registered against the U.S. Department of the Treasury's Office of the Office of Foreign Asset Control's ("OFAC") Specially Designated Nationals Blocked Persons List ("SDN List") and against OFAC's regulations and that there were no matches identified by such comparison. Issuer is prohibited from submitting Securities for DTC eligibility if the issuer of the securities is listed on the OFAC's SDN List, or is incorporated or formed in a country that is subject to OFAC sanctions or embargoes, or otherwise subject to sanctions administered by OFAC.

22. Issuer hereby authorizes DTC to provide to Issuing Agent and/or Paying Agent listings of DTC Participants' holdings, known as Security Position Reports ("SPRs") with respect to the Assets from time to time at the request of Issuing Agent or Paying Agent. DTC charges a fee for such SPRs. This authorization, unless revoked by Issuer, shall continue with respect to the Assets while any Assets are on deposit at DTC, until and unless Issuing Agent and/or Paying Agent shall no longer be acting as Issuing and/or Paying Agent for Issuer. In such event, Issuer shall provide DTC with similar evidence, satisfactory to DTC, of the authorization of any successor thereto so to act. Proxy Web Services are available at www.dtcc.com. To register for or inquire about Proxy Web Services, telephone The Depository Trust and Clearing Corporation's Proxy Hotline at (212) 855-5191.

23. Issuer, Issuing Agent and Paying Agent shall comply with the applicable requirements stated in DTC's MMI Procedures, as they may be amended from time to time.

24. The following rider(s), attached hereto, are hereby incorporated into this Letter of Representations:

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

[Issuer]

By: _____
[Authorized Officer's Signature]

[Guarantor]

By: _____
[Authorized Officer's Signature]

[Issuing Agent]

By: _____
[Authorized Officer's Signature]

[Paying Agent]

By: _____

cc: Underwriter
Underwriter's Counsel

EXHIBIT C
OFFERING MEMORANDUM

COMMERCIAL PAPER SPECIAL OFFERING MEMORANDUM

HARRIS COUNTY, TEXAS

GENERAL OBLIGATION UNLIMITED TAX COMMERCIAL PAPER NOTES, SERIES C

Goldman Sachs & Co. LLC (the “Dealer”) is offering for sale on behalf of Harris County, Texas (the “County”) the Harris County, Texas General Obligation Unlimited Tax Commercial Paper Notes, Series C (the “Notes”) in the aggregate principal amount not to exceed \$360,000,000 outstanding at any one time. Capitalized terms used in this Offering Memorandum shall have the meanings assigned to such terms in the Order (defined below), except as otherwise indicated herein.

Interest on the Notes is payable on an actual/365-day year basis, and the Notes will be sold at par.

The Notes are authorized pursuant to Article III, Section 52 of the State of Texas, as amended, Chapters 1201, 1371, 1431 and 1471, Texas Government Code as amended, elections held within the County on November 6, 2001, November 6, 2007, November 3, 2015 and November 8, 2022 and an order of the Commissioners Court of the County (the “Order”) adopted on December 30, 1997, as amended and restated on August 6, 2002, April 22, 2008, April 26, 2016, December 4, 2018, December 14, 2021, November 15, 2022 and January 10, 2023 (The foregoing authorities are collectively referred to herein as the “Authorizing Law”).

Pursuant to the Authorizing Law, the County is authorized to sell the Notes in one or more installments for certain authorized purposes, and provide for the payment of principal of and interest on the Notes through the levy of an annual unlimited ad valorem tax.

The Notes are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended. In the opinion of Orrick, Herrington & Sutcliffe LLP (“Note Counsel”), the interest on the Notes is excludable from gross income for federal income tax purposes under existing law. (See Appendix C for Note Counsel’s form of legal opinion.)

The County has entered into a Reimbursement Agreement dated January 10, 2022, as amended by the First Amendment to the Credit Agreement dated as of December 6, 2022 with Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”), whereby the Bank has agreed to provide a direct pay letter of credit (the “Letter of Credit”) up to \$360,000,000, plus interest thereon calculated at the maximum rate of ten percent (10%) per annum for a period of two hundred and seventy (270) days, to provide credit support for the timely payment of principal and interest on the maturing Notes. The Letter of Credit initially expires on December 9, 2025; subject to extension or earlier termination as provided therein. See “THE NOTES – Reimbursement Agreement and Letter of Credit.”

If for any reason the Bank fails to honor a drawing under the Letter of Credit, the County cannot provide any assurance that it or the Issuing and Paying Agent will have sufficient funds on hand and available to make such payment of principal of and/or interest on the Notes or to make such payments in a timely manner. Prospective investors in the Notes therefore should base their investment decision primarily on the credit worthiness of the Bank, rather than on that of the County.

Dated: [_____], 2023

Goldman Sachs & Co. LLC

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THE COUNTY

Administration

Harris County is a southeast Texas county and a major component of the Houston Primary Metropolitan Statistical Area. The County's population was estimated to be 4.7 million as of July 1, 2021, according to the Bureau of the Census estimates, Harris County Appraisal District data and historical trends.

The County Judge and the four County Commissioners who comprise the Commissioners Court, the County Tax Assessor-Collector and the County Treasurer, all of whom are elected officials, and the County Auditor have responsibility for the financial administration of the County.

The Commissioners Court is the governing body of the County. It has certain powers expressly granted to it by the Texas Legislature (the "Legislature") and powers necessarily implied from such grant. Its duties include approval of the County budget, determination of County tax rates, approval of contracts in the name of the County, calling elections, issuance of bonds and appointments of certain County officials.

The County Judge, Lina Hidalgo, is the presiding officer of the Commissioners Court. The County Judge is elected by voters, on a County-wide basis, to a four-year term of office.

The County Commissioners are Rodney Ellis, Adrian Garcia, Tom S. Ramsey and Lesley Briones. Each County Commissioner represents one of the four precincts into which the County is divided and is elected by the voters of the applicable precinct to a four-year term of office.

The County Assessor-Collector and Voter Registrar, Ann Harris Bennett, is an elected official of the County responsible for assessing and collecting ad valorem taxes and processing voter registration in the County. The County Tax Assessor-Collector and Voter Registrar is elected by voters, on a County-wide basis, to a four-year term of office.

The County Treasurer, Carla L. Wyatt, is an elected official of the County and the chief custodian of County funds, whose duties include the receipt of all monies belonging to the County from whatever source they may be derived, the deposit of such funds in a designated depository, and the payment and application or disbursement of such funds, in such manner as the Commissioners Court may require or direct not inconsistent with law. The County Treasurer is elected by voters, on a County-wide basis, to a four-year term of office.

The County Auditor, Michael Post, CPA, MBA, has oversight responsibility for the financial books and records of the County and its officials. The duties of the County Auditor include prescribing accounting procedures, preparing statutorily required financial reports, budgetary oversight, and performing financial and compliance audits. The County Auditor is appointed for a two-year term by the State District Judges of the County.

The County Clerk, Teneshia Hudspeth, is an elected official of the County. The County Clerk's office maintains the records of the County's Commissioners Court, Probate Courts and the Civil Courts at Law. The County Clerk is elected by voters, on a County-wide basis, to a four-year term of office.

The County Attorney, Christian D. Menefee, an elected official of the County, advises and represents the County and its officers and employees in connection with legal matters. The County Attorney is elected by voters, on a County-wide basis, to a four-year term of office.

The County Administrator, David Berry, is appointed by Commissioners Court and is charged with day-to-day oversight of County government and providing guidance and coordination to all County departments.

The County Budget Director, Daniel Ramos, is appointed by Commissioners Court and is responsible for the County Budget, preparing proposed annual budgets and has responsibility for both the County's investments and debt management.

Ad Valorem Tax Levy and Tax Data

Article VIII, Section 9 of the Texas Constitution imposes a limit of \$0.80 per \$100 assessed valuation for all purposes of a county's general fund, permanent improvement fund, road and bridge fund and jury fund, including debt service on bonds or other debt issued against such funds (the "\$0.80 Tax Limitation"). The County has consolidated all of these constitutional purposes into a general fund tax levy, subject to the \$0.80 Tax Limitation (the "General Fund Tax"). The Notes are payable from the General Fund Tax. Administratively, the Attorney General of the State of Texas (the "Attorney General") will not approve limited tax obligations in an amount which produces debt service requirements exceeding which can be paid from \$0.40 of the foregoing \$0.80 Tax Limitation, as calculated at the time of issuance.

The Texas Constitution also authorizes the County to levy, with voter approval, (1) a tax, without legal limit as to rate or amount, to pay debt service on the County's road bonds, and (2) a special road and bridge fund tax, not to exceed \$0.15 per \$100 of assessed valuation for restricted purposes.

The Commissioners Court adopts tax rates for the County by September 1 of each year, or as soon thereafter as is practicable. Title 1 of the Texas Tax Code (the "Property Tax Code") provides that the governing body of a taxing unit is required to adopt the annual tax rate for the unit before the latter of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit, and the failure to adopt a tax rate by such required date will result in the tax rate for the tax year to be the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. Such rates are based on the assessed values on January 1 of each year, as shown on the tax roll approved by the Appraisal Review Board of the Harris County Appraisal District (the "Appraisal District"), which must be used by the County for such purpose. The Property Tax Code imposes limitations on certain tax increases. The Commissioners Court may under certain circumstances be required to publish notice and hold a public hearing on a proposed tax rate before voting on the tax rate. If the tax rate adopted exceeds by more than 3.5% the rate needed to pay debt service and certain contractual obligations, and to produce, when applied to the property that was on the prior year's roll, the prior year's taxes levied for purposes other than debt service and such contractual obligations, such excess portion of the levy may be repealed at an election within the County held upon petition of 7% of the qualified voters of the County.

County Assessed Values and Tax Rates

The following table shows the County’s assessed values calculated as of the Fiscal Year end for each year shown and tax rates for each of the tax years 2018 through 2022 (of which 2022 is interim data). Taxable property is assessed at 100% of the appraised value as established by the Appraisal District.

(Dollars In Thousands)

Tax Year	Fiscal Year Ended Feb. 28/29	Real Property^(a)	Personal Property^(a)	Less Exemptions & Abatements^{(b)(c)}	Total Taxable Value	Tax Rate
2018	2019	506,160,004	69,574,097	127,319,737	448,414,364	0.41858
2019	2020	545,499,934	72,456,577	135,755,513	482,200,998	0.40713
2020	2021	580,139,657	72,974,712	148,263,829	504,850,540	0.39116
2021	2022	606,314,651	67,781,102	156,340,901	517,754,852	0.37693
2022	9/30/2023 ^(d)	667,717,403 ^(e)	69,686,425 ^(e)	162,882,218 ^(e)	574,521,610 ^(e)	0.34373

- (a) Property in the County is currently reassessed each year, and is required by law to be reassessed every three years. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.
- (b) The County currently grants an exemption to the market value of the residence homestead of persons 65 years of age or older or disabled persons of \$250,000. If requested, the County must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans or of persons who died while on active duty in an amount not to exceed \$3,000 of assessed value. The County may also authorize exemptions of up to 20% of the value of residential homesteads from ad valorem taxation. The Commissioners Court has granted a 20% exemption.
- (c) The County and certain taxing units located within the County may enter into tax abatement agreements to encourage economic development. Prior to entering into a tax abatement agreement, a taxing entity must adopt guidelines and criteria for establishing tax abatements that such entity will follow in granting tax abatements to property owners. Tax abatement agreements may exempt from ad valorem taxation by a taxing entity, for a period of up to 10 years, all or any part of the assessed valuation of property covered by the agreement in excess of its assessed valuation in the year in which the agreement is executed, on the condition that the property owner makes specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. The terms of all tax abatement agreements of a taxing entity must be substantially the same. See the County's Tax Abatement Guidelines re-adopted by the Commissioners Court on October 27, 2020 in accordance with the Property Tax Code for more information. The estimated value of property in the County that was subject to tax abatement as of October 7, 2022, is approximately \$141 million and such value at the end of the abatement period is currently estimated to be approximately \$364 million.
- (d) Due to the change in the County’s fiscal year, Tax Year 2021 corresponds to fiscal year ending February 28, 2022 and September 30, 2022. Tax Year 2022 corresponds with the fiscal year ending September 30, 2023.
- (e) The values presented are as of August 19, 2022.

Source: Harris County Tax Assessor-Collector and Harris County Auditor’s Office.

Tax Increment Reinvestment Zones

State law authorizes municipalities and counties in the State, by action of its governing body or upon petition of affected landowners, to establish one or more tax increment reinvestment zones (“TIRZs”) for the purposes of development or redevelopment of the territory within such zones. The County may elect to create a TIRZ in which it and other taxing entities within the County may elect to participate. In addition, the County and certain taxing units located within the County may elect to participate in TIRZs created by a municipality within the County.

The participating taxing units in a TIRZ contribute some or all of the tax revenues generated by the incremental growth in taxable value of real property in the TIRZ to pay costs of public infrastructure or other public improvements in the TIRZ and to supplement or act as a catalyst for private development in the TIRZ. Taxes levied against the incremental increase in assessed value in the TIRZ may be used only to pay project and financing costs within or benefitting the TIRZ and are not available for the payment of other obligations of the participating

taxing units. In a TIRZ created by a municipality, the TIRZ, or a non-profit local government corporation authorized by a municipality to administer the TIRZ, may pledge incremental tax revenue to support bonds or other obligations of the TIRZ. In a TIRZ created by a county, state constitutional limitations restrict a county or local government corporation acting on its behalf from pledging incremental tax revenue to support bonds or other obligations of the TIRZ. TIRZs generally are created for a period of up to 30 years.

The County has not created any TIRZs. The County currently participates in five TIRZs created by municipalities within the County: City of Houston (Market Square TIRZ #3, East Downtown TIRZ #15, Greater Houston #24), City of Baytown (Baytown TIRZ #1), and City of LaPorte (LaPorte TIRZ #1). The total amount of the County’s contribution in such TIRZs for Tax Year 2021 is \$9,774,305.

County Tax Levies, Collections and Delinquencies

The table below sets forth a comparison of the aggregate ad valorem taxes levied and collected by the County (excluding the Harris County Flood Control District (the “District” or “Flood Control District”), the Port of Houston and the Hospital District/Harris Health) for the tax years 2017 through 2021. Taxes for tax year 2022 are due January 1, 2023.

(Dollars in Thousands)

Tax Year	Fiscal Year Ended Feb. 28/29	Taxes Levied for the Fiscal Year	Adjusted Levy as of the End of Current Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to February 28, 2022		
				Amount ^(a)	Percentage of the Levy	Collections in Subsequent Years ^(b)	Amount	Percentage of Levy
2017	2018	\$1,822,187	\$1,788,250	\$1,723,979	94.6	\$59,597	\$1,783,576	99.7
2018	2019	1,876,068	1,842,253	1,787,008	95.3	49,658	1,836,666	99.7
2019	2020	1,961,756	1,922,542	1,867,058	95.2	44,017	1,911,075	99.4
2020	2021	1,972,700	1,935,900	1,838,347	93.2	75,891	1,914,238	98.9
2021	2022	1,951,928	1,951,928	1,853,156	94.9	----	1,853,156	94.9

(a) Taxes levied in any year which are collected beginning November 1 of such year through June 30 of the following year are shown as current collections. Such amounts include that portion of the current levy collected on or after February 1, which is the date taxes become legally delinquent. The amounts in this column are reflected as of the last day of February of the years shown.

(b) Collections for prior years’ levies of taxes during the period beginning July 1 of the year shown and ending on June 30 of the following year are shown as delinquent collections which apply to prior tax years and are collected for multiple tax years. The accumulation of all unpaid ad valorem taxes which were due at the end of the collection period beginning on July 1 of the year shown and ending on June 30 of the following year is shown as delinquent taxes receivable.

Source: Harris County Tax Assessor-Collector and Harris County Auditor’s office.

Tax Debt Outstanding

The following table shows the total principal amount of the County’s debt outstanding payable from ad valorem taxes as of October 31, 2022. The outstanding long-term tax debt is payable from separate taxes levied for debt service:

Limited Tax Debt ^(a)	County’s Total Outstanding Long-Term Debt
	\$ 750,752,125

Unlimited Tax Bonds	672,645,000
District Flood Contract Tax Bonds ^(b)	317,320,000
Toll Road Unlimited Tax Bonds ^(c)	151,335,000
Total	\$ 1,892,052,125
Less: Toll Road Unlimited Tax Bonds	<u>(151,335,000)</u>
Total (approximately 0.33% of Tax Year 2021 Taxable Assessed Value)	\$ 1,740,717,125

- (a) Excludes approximately \$30 million of the County's Tax and Subordinate Lien Revenue Certificates of Obligation, Series 2022, which are expected to close on December 15, 2022.
- (b) The Flood Control District's (the "District") Contract Tax Bonds are payable from contractual payments made by the County to the Flood Control District secured by the County's limited tax pursuant to the Flood Control Projects Contract. Excludes the District's Limited Tax Bonds paid for by the District's ad valorem tax revenues.
- (c) Toll Road Unlimited Tax Bonds are additionally secured by a subordinate pledge of net revenues of the County's toll road system. It is the current intent of the County to pay the Toll Road Unlimited Tax Bonds solely from toll road revenues and, historically, no ad valorem tax revenue has been required to pay the outstanding Toll Road Unlimited Tax Bonds.

Source: Harris County Office of Management and Budget.

Commercial Paper

In addition to the outstanding long-term tax debt shown in the table "Tax Debt Outstanding," the Commissioners Court has established commercial paper programs secured by a levy of ad valorem taxes or toll road revenues for the purposes of financing various short-term assets and providing temporary construction financing for certain long-term fixed assets. The commercial paper program totals \$2.175 billion and consists of the following ten commercial paper programs:

<u>Series</u>	<u>Program Amount</u>	<u>Security</u>	<u>Liquidity Bank</u>	<u>Liquidity Expiration</u>
A-1	\$100 Million	limited tax	State Street Bank	8/19/2027
B	\$40 Million	limited tax	State Street Bank	8/19/2027
C	\$360 Million	unlimited tax	Sumitomo Mitsui	12/9/2025
D	\$200 Million	limited tax	JPMorgan Chase	8/19/2025
D-2 ^(b)	\$300 Million	limited tax	State Street Bank	11/13/2024
D-3	\$200 Million	limited tax	Wells Fargo	11/12/2024
H	\$500 Million	limited tax	JPMorgan Chase	12/10/2024
H-2	\$200 Million	limited tax	PNC Bank	2/24/2025
J-1	\$75 Million	limited tax	Bank of America	7/1/2023
K ^(a)	\$200 Million	Toll road revenues	PNC Bank	4/22/2025

- (a) Series K was established under the Toll Road First Lien Revenue Bond Trust Indenture and it replaced the Series E-1 Note program. Series E-1 was closed on May 2, 2022.
- (b) The County is in the process of increasing Series D-2 by \$100 million, from \$200 million to \$300 million with State Street Bank, to close early December.

The Series A-1 Notes are authorized to be issued to pay contractual obligations incurred for (i) the construction of and purchase of fixtures, equipment and machinery for or in connection with the County's criminal and civil justice centers and firefighter training facility, (ii) the purchase of automobiles and other vehicles, equipment and machinery, including computers, materials and supplies for the operations of County precincts and departments and other authorized needs and purposes of the County, and (iii) professional services, and are not required to be approved at an election. The County's current practice is to issue Series A-1 Notes to finance technology improvements.

A portion of the Series B Notes (parks and libraries) and all of the Series C Notes (roads and bridges) are issued pursuant to voted authorization obtained at elections held within the County in November 2001, November 2007, November 2015 and November 2022. A portion of the Series

B Notes are authorized to be issued for certain purposes (libraries) not required to be approved at an election.

The Series D Notes, Series D-2 Notes and Series D-3 Notes are authorized to be issued to pay contractual obligations incurred for (i) the construction of public works, to wit: the construction or renovation of the Civil Justice Center, Juvenile Justice Center, Juvenile Detention Center and County Courthouse, (ii) the purchase of automobiles and other vehicles, equipment and machinery, including computers, materials and supplies for the operation of the County's precincts and departments (including particularly those relating to tax assessment and collection, juvenile services, budgeting, administration and auditing, facility maintenance, law enforcement, health and roads) and other authorized needs and purposes of the County, and (iii) professional services, and are not required to be approved at an election. In addition, a portion of the Series D Notes, Series D-2 Notes and Series D-3 Notes (permanent improvements and parks) are authorized to be issued pursuant to voted authorization obtained at elections held within the County in November 2007 (Forensic Lab, Family Law Center and Parks), November 2013 (Joint Processing Center) and November 2015 (Animal Shelter and Parks).

The Series K Notes are authorized to be issued to pay the costs of acquiring, constructing, operating, maintaining, and improving toll road project components.

The Series H and H-2 Notes (flood control) are authorized to be issued pursuant to voted authorization obtained at elections held within the District in November 2015 (acquiring land, construction, maintenance and/or operations of or on behalf of the District) and August 2018 (financing flood control projects for the District, including purchasing lands, easements, rights-of-way and structures, and for the acquisition and construction of improvements, including detention basins, channel modifications and other works suitable for use in connection with flood damage reduction).

The Series J-1 Notes (disaster recovery) are authorized to be issued to (i) pay contractual obligations for (a) the construction of public works, (b) the purchase and capital lease of materials, supplies, equipment, machinery, buildings, lands and right-of-way for the County's authorized needs and purposes and (c) professional services; (ii) the demolition of dangerous structures; and (iii) the accomplishment of any other purpose the County considers necessary in relation to preserving or protecting public health and safety.

As of September 30, 2022, specific projects have been approved for no more than \$356.303 million of commercial paper. As of such date, the County had outstanding \$133.725 million of commercial paper, of which \$97.125 million was secured by the County's limited tax, \$0 million was secured by the County's unlimited tax and \$36.6 million was secured by toll road revenues. The District had no outstanding commercial paper.

Investments

General. The County invests its investable funds in investments authorized by Texas law in accordance with written investment policies approved by the Commissioners Court, a copy of which is available upon request. Both State law and the County's investment policies are subject to change.

The Office of Management and Budget of the County invests all investable County funds, which The Office of Management and Budget of the County invests all investable County funds, which include funds of the following departments or governmental bodies: the County, the District and the Toll Road Authority and the County Clerk and District Clerk Registry Funds. The County operates as an investment agent for the Greater HC 911 Emergency Network, HC Juvenile Probation, HC Community Supervision & Corrections, Harris County-Houston Sports Authority, Harris County Sports and Convention Corporation and Harris Health. Each of the above entities has a separate investment policy and investment portfolio and the funds are not commingled into a single pool of investments.

Current Texas law authorizes the County to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) 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; (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or 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; (5) 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; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by: (i) the Federal Deposit Insurance Corporation or its successor; or (ii) the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if: (i) the funds invested in the banking deposits are invested through: (a) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (b) a depository institution with a main office or branch office in this state that the investing entity selects; (ii) the broker or depository institution selected as described by clause (8)(i) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (iv) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (a) the depository institution selected as described by clause (8)(i); (b) an entity described by Section 2257.041(d); or (c) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit that are issued by a depository institution that has its main office or a branch office in the State and is (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 described in the preceding clauses, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b) of the Texas Government Code; or (iii) secured in accordance with Chapter 2257 or in any other manner and amount provided by law for County deposits; (10) certificates of deposit that meet the following conditions: (i) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the investing entity pursuant to Section 2256.025,

Texas Government Code; or (B) a depository institution that has its main office or a branch office in this State and that is selected by the investing entity; (ii) the broker or the depository institution selected by the investing entity under (i) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity; (iii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (iv) the investing entity appoints the depository institution selected by the investing entity under (i), an entity described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity; (11) fully collateralized repurchase agreements that have a defined termination date, are fully secured by cash or obligations described in clause (1), require the securities being purchased by the County or cash held by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (12) securities lending programs if (i) the value of the securities loaned under the program are not less than 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) pledged irrevocable letters of credit issued by a bank organized under the laws of the United States or any other state, that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) and (17) below, (ii) securities held as collateral under a loan are pledged to the County and held in the County's name, (iii) deposited at the time the investment is made with the County or with a third party selected by or approved by the County; (iv) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State and (v) the agreement to lend securities has a term of one year or less; (13) bankers' acceptances that (i) have a stated maturity of 270 days or fewer from the date of their issuance, (ii) will be, in accordance with their terms, liquidated in full at maturity, (iii) are eligible for borrowing from a Federal Reserve Bank, and (iv) are accepted by a bank organized and existing under the laws of the United States or any state, if short-term obligations of the accepting bank, or of the bank holding company of which the bank is the largest subsidiary, are rated at least "A-1" or "P-1" or the equivalent by at one nationally recognized credit rating agency; (14) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (i) two (2) nationally recognized credit rating agencies or (ii) one (1) nationally recognized credit rating agency, if the paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (15) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the County with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7; (16) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two (2) years; and either (i) have a duration of one (1) year or more and are invested exclusively in obligations described in this paragraph; or (ii) have a duration of less than one (1) year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (17) guaranteed investment contracts that have a defined

termination date are secured by obligations described in clause (1) above in an amount at least equal to the amount of bond proceeds invested under such contract, and are pledged to the County and deposited with the County or with a third party selected and approved by the County; (18) certain eligible investment pools if the Commissioners Court by order authorizes investment in that particular pool; and (19) any other investment that may be authorized now or in the future by Chapter 2256, Texas Government code, as amended (the “Public Funds Investment Act”).

Investment Policy. Under Texas law, the County is required to invest its funds under a written investment policy that primarily emphasizes safety of principal and liquidity and that addresses investment diversification, yield, maturity, and the quality and capability of investment management. The County adopted its current investment policy on September 27, 2022, effective October 1, 2022. All County funds must be invested in investments that are consistent with the operating requirements of the County.

Retirement Program and Other Post-Employment Benefits

The Texas County and District Retirement System (the “System” or “TCDRS”) administers a combined retirement program for officials and eligible employees of the County. The County provides retirement and disability benefits for all of its employees (excluding temporary employees) through a non-traditional defined benefit pension plan in the statewide TCDRS. The Board of Trustees of TCDRS is responsible for the administration of the system. TCDRS does not receive State funding. Each plan is funded independently by participating counties, districts and employees. TCDRS in the aggregate issues a Annual Comprehensive Financial Report on a calendar year basis. The 2021 Annual Comprehensive Financial Report is available at <https://www.tcdrs.org/globalassets/library/reports/2021-annual-report.pdf>.

The Texas Legislature created TCDRS in 1967. Since then, TCDRS has grown into a multi-billion dollar trust with more than 800 participating employers. TCDRS is a savings-based plan. TCDRS employers, such as the County, advance fund their plans over the length of their employees’ careers. Unlike traditional pension plans where the benefit is based on the final salary and length of career, the TCDRS benefit is based on the total final employee savings balance and employer matching. Also, with TCDRS, employers have flexibility and local control to choose benefit levels to meet their needs and budgets.

TCDRS commissions an annual actuarial valuation of the plan. The County’s annual contribution rate is determined as a part of the annual actuarial valuation and consists of the normal cost contribution rate plus the rate required to amortize the unfunded actuarial liability over the remainder of the plan’s 20-year amortization period using the entry age actuarial cost method. The TCDRS Board reduced the investment return assumption from 8.0% to 7.5% effective December 31, 2020 and used a portion of the system’s reserves and re-amortized liabilities to help mitigate increases to employer contribution rates. The County’s required contribution rate for calendar year 2022 is 15.70% based upon a December 31, 2021 actuarial valuation date compared to 15.70% for calendar year 2022. The County elected to contribute 15.1% for calendar year 2021 and 15.7% for 2022. The County’s net pension asset measured as of December 31, 2021 was \$253,106,274. The fiduciary net position as a percentage of total pension asset at December 31, 2021 was 103.21%. For a description of the plan, including County and employee contributions for the most recent fiscal year and the possibility of unfunded liabilities, see Note 9: Retirement Plan to the County’s annual comprehensive financial report attached hereto as Appendix B.

The County is subject to GASB 75, which requires the County to estimate the liabilities of its retiree healthcare plan (other post-employment benefits or “*OPEB*”), as well as recognize contribution amounts and reserves relating to its OPEB plans for current retirees and employees. The net OPEB liability for the County retiree health care benefits as of February 28, 2022, was \$3,944,766,171 using a 2.25% discount rate. The County may modify its OPEB plans in the future and such liabilities may change. See Note 10: Other Postemployment Benefits to the annual comprehensive financial report attached hereto as Appendix B.

Operating Funds Budget

On February 8, 2022, the Commissioners Court adopted the budget for the County for the period ending 9/30/2022. The budget included appropriations for some capital projects, which are financed from current revenues. The following is a summary of the period ending 9/30/2022 budget for the County’s Current Operating Fund:

Cash Balance as of March 1, 2022	\$ 1,474,473,749
Estimated Revenues:	
Ad Valorem and Miscellaneous Taxes	73,138,923
Charges for Services	162,019,250
Fines and Forfeitures	7,539,471
Intergovernmental Revenues	37,371,638
Interest	2,865,085
Other	23,257,868
Total Cash and Estimated Revenues	\$ 1,780,665,984
Appropriations:	
Current Operating Expenses	\$ 1,728,039,423
Capital Outlay:	
Roads	22,495,284
Parks	30,131,277
Total Appropriations	\$ 1,780,665,984

Tax Anticipation Borrowing

In the years prior to Fiscal Year 2017, the County engaged in a tax anticipation program for the purpose of providing funds for the payment of working capital expenditures of the County until ad valorem taxes were received. A concerted effort was made starting in 2012 to improve the County’s financial condition to eliminate tax anticipation borrowing. This effort resulted in an annual reduction in tax anticipation borrowing, until tax anticipation borrowing was eliminated in Fiscal Year 2017.

General Fund Balances For Fiscal Years 2018 through 2022

The table below shows the County's General Fund balances for Fiscal Years 2018 through 2022. The information provided in such table was prepared using the modified accrual basis of accounting.

	<u>2018^(a)</u>	<u>2019^(a)</u>	<u>2020^(a)</u>	<u>2021^(a)</u>	<u>2022^(a)</u>
Unrestricted Cash Balance	\$1,538,868,819	\$1,670,575,919	\$1,846,640,401	\$2,214,359,440	\$2,070,937,648
Revenues/Other Sources	2,423,710,761	2,399,964,348	2,518,023,895	3,114,995,974	2,774,583,653
Expenditures/Other Uses	2,276,019,431	2,265,649,889	2,336,868,442	2,758,655,593	2,965,777,817
Fund Balance:					
Nonspendable	8,405,900	9,325,408	13,053,415	5,192,842	6,701,664
Restricted	512,962,739	532,074,026	533,151,681	944,737,889	781,834,387
Committed	0	0	0	0	73,236,168
Assigned	50,988,858	40,139,177	31,299,415	27,414,385	56,831,745
Unassigned	1,162,834,872	1,287,968,217	1,473,157,770	1,379,657,546	1,297,204,536
Total Fund Balances	<u>\$1,735,192,369</u>	<u>\$1,869,506,828</u>	<u>\$2,050,662,281</u>	<u>\$2,407,002,662</u>	<u>\$2,215,808,498</u>

(a) The amounts for the fiscal years shown above include the general fund, general fund debt service, public improvement contingency fund and mobility fund.

Source: Harris County Auditor's Office

The above information has been included in order to indicate the general economic health of the County. However, the Notes are secured only by the levy of ad valorem taxes. Fund balances shown above are not available for debt service on the Notes except to the extent such fund balances represent collections of taxes levied for the Notes.

THE NOTES

The Order authorizing the Notes provides that the Notes may be issued for the purpose of providing funds for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, within and for the County, which purpose is more fully described, authorized and provided in the legal proceedings of the Elections, as follows: (i) \$475,000,000 pursuant to the 2001 Election, (ii) \$190,000,000 pursuant to the 2007 Election, (iii) 700,000,000 pursuant to the 2015 Election and (iv) \$900,000,000 pursuant to the 2022 Election.

The Notes may also be issued to refinance, renew or refund Notes, Loans and Loan Notes and to pay the costs and expenses of the issuance of the Notes, including fees for professional services.

On each date that Notes are initially issued, the Authorized Representative (as defined in the Order) shall designate the authorized purpose or purposes for which such Notes are to be issued.

The Notes will be offered at par only, will mature in not more than 270 days from the date of issue, and will pay par plus interest at maturity. The Notes will be payable at the office of U.S. Bank National Association, as the Issuing and Paying Agent. Interest on the Notes is payable on an actual/365-day basis. The interest on the Notes may not exceed the lesser of 10% per annum or the maximum rate allowable by law. A minimum purchase of \$100,000 aggregate principal amount and multiples of \$1,000 thereafter is required.

The Notes are issuable in book-entry form through the book-entry system of the Depository Trust Company, New York, New York (“DTC”). The County has issued a single Master Note for each series registered in the nominee name of DTC. The Master Notes have been deposited with the Issuing and Paying Agent under the terms of an Issuing and Paying Agent Agreement with the County. Physical notes will still be available in those instances where book-entry cannot be accomplished.

The Order provides that (i) any Note issued prior to April 15, 2008 must be repaid by January 1, 2028, (ii) any Note issued on or after April 15, 2008 but prior to January 10, 2023 must be repaid by April 15, 2038 and (iii) any Note issued on or after January 10, 2023 must be repaid by January 1, 2053; provided, however, that for any Notes issued pursuant to an Election, no Note may mature beyond the maximum maturity date approved at the Election pursuant to which the issuance of such Note has been authorized.

Reimbursement Agreement and Letter of Credit

The following summarizes certain provisions of the Reimbursement Agreement, dated as of January 10, 2022 and the First Amendment to the Reimbursement Agreement, dated as of December 6, 2022 (together, the “Reimbursement Agreement”), by and between the County and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”) and the direct pay letter of credit (the “Letter of Credit”) relating to the Notes. The following summary does not purport to be a full and complete statement of the provisions of the Reimbursement Agreement or Letter of Credit, which should be read in full for a complete understanding of all the terms and provisions thereof. Capitalized terms not defined under this caption shall have the meanings ascribed to such terms in the Reimbursement Agreement and Letter of Credit.

In order to assure timely payment of the principal of and interest on the Notes, at the County’s request, the Bank has issued to the Issuing and Paying Agent, as beneficiary, the Letter of Credit pursuant to, and upon the terms and conditions stated in, the Reimbursement Agreement. On or before the date of maturity of any Note, the Issuing and Paying Agent shall draw on the Letter of Credit an amount equal to the aggregate principal amount of Notes maturing on such date and accrued interest thereon to such date. Pursuant to the Order and the Issuing and Paying Agent Agreement, all amounts received from any drawing on the Letter of Credit are required to be deposited in the Note Payment Fund established pursuant to the Order and held in trust and set aside exclusively for the payment of the Notes for which such drawing was made, and the Issuing and Paying Agent is required to apply such amounts to the payment of such Notes, upon presentation thereof for payment. The “Stated Amount” of the Letter of Credit as of the date of this Offering Memorandum is \$387,000,000 (equal to \$360,000,000 maximum principal amount of the Notes plus 270 days’ accrued interest on the Notes at a maximum rate of 10% per annum). The Letter of Credit will expire at 5:00 p.m. New York City time on the date (the “Termination Date”) which is the earliest to occur of: (a) December 9, 2025 (the “Letter of Credit Expiration Date”), as such date may be extended in a Notice of Extension from the Bank to the Issuing and Paying Agent and the County; (b) the date of payment of a Drawing, not subject to reinstatement, which when added to all other Drawings honored hereunder which were not subject to reinstatement as provided herein, in the aggregate equals the Stated Amount on the date of issuance hereof as adjusted pursuant to the terms and conditions of this Letter of Credit; (c) the date on which the Bank receives a termination certificate signed by your duly authorized officer regarding a substitute letter of credit being issued for the Notes (after the Bank has honored any properly

presented and conforming Drawing, if any, on such date); (d) the date on which the Bank receives a termination certificate signed by your duly authorized officer that no Notes are outstanding; or (e) the earlier of (i) the 15th calendar day (or if such date is not a Business Day, the immediately succeeding Business Day) after the date on which the County receives from the Bank the “Final Drawing Notice”, and (ii) the date on which the Drawing resulting from the delivery of the Final Drawing Notice is honored under the Letter of Credit. In addition, the Bank shall have no obligation to honor any Drawing under the Letter of Credit the proceeds of which would be used to pay the principal of and interest on maturing Notes that were issued by the County after receipt by the Issuing and Paying Agent of a No-Issuance Notice or Final Drawing Notice.

Not earlier than one hundred twenty (120) days and not later than sixty (60) days prior to the Letter of Credit Expiration Date, the County may submit a written request to the Bank to extend the Letter of Credit Expiration Date for a time mutually acceptable to the Bank and the County. The Bank has agreed to make a reasonable effort to respond to the County within 30 days from the date of receipt of such request. Failure by the Bank to respond to the County’s request for extension within such time period shall be considered a rejection of such request. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Bank and consistent with the Reimbursement Agreement and the Letter of Credit. If such an extension request is accepted by the Bank in its sole and absolute discretion, the then current Letter of Credit Expiration Date shall be extended to the date agreed to by the County and the Bank.

Events of Default and Remedies

Events of Default. Each of the following shall constitute an “Event of Default” under the Reimbursement Agreement:

(a) The County fails to pay, or cause to be paid, when due (i) any principal of or interest on any Drawing or any Advance, (ii) any Letter of Credit Fee or (iii) any other Obligation (other than the Obligations described in clause (i) or (ii) of Section 7.01(a)) within five (5) calendar days of the date such Obligation is due;

(b) Any representation, warranty or statement made by or on behalf of the County in the Reimbursement Agreement or in any Related Document to which the County is a party or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made; or the documents, certificates or statements of the County (including unaudited financial reports, budgets, projections and cash flows of the County) furnished to the Bank by or on behalf of the County in connection with the transactions contemplated hereby, when taken as a whole, are materially inaccurate in light of the circumstances under which they were made or deemed made and as of the date on which they were made or deemed made;

(c) The County fails to perform or observe any term, covenant or agreement contained in Sections 6.01, 6.04, 6.05, 6.06, 6.07, 6.08, 6.09, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.19, 6.19, 6.20, 6.21, 6.22, 6.23, 6.24 of the Reimbursement Agreement; or (ii) the County fails to perform or observe any other term, covenant or agreement contained in Reimbursement

Agreement (other than those referred to in Sections 7.01(a) and 7.01(c)(i)) and any such failure, solely with respect to this clause (ii), cannot be cured or, if curable, remains uncured for 60 days after the earlier of (A) written notice thereof to the County or (B) an Authorized Representative having actual knowledge thereof;

(d) The County shall (i) default in any payment of any General Obligation Debt (other than the Notes, the Drawings or the Advances), beyond the period of grace, if any, provided in the instrument or agreement under which such General Obligation Debt was created; or (ii) default in the observance or performance of any agreement or condition relating to any General Obligation Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such General Obligation Debt (or a issuing and paying agent or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such General Obligation Debt to become due prior to its stated maturity (whether by acceleration, redemption, tender or otherwise);

(e) A court or other Governmental Authority with jurisdiction to rule on the validity of Reimbursement Agreement, the Order, the Issuing and Paying Agent Agreement or any other Related Document to which the County is a party shall find, announce or rule that (A) any material provision of the Reimbursement Agreement or any other Related Document to which the County is a party; or (B) any provision of the Reimbursement Agreement, the Order or the Issuing and Paying Agent Agreement relating to the security for the Notes, the Bank Note or the Obligations, the County's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the rights and remedies of the Bank, is not a valid and binding agreement of the County or; (ii) the County shall contest the validity or enforceability of the Reimbursement Agreement, the Order any other Related Document to which the County is a party or any provision of the Reimbursement Agreement, the Order or the Issuing and Paying Agent Agreement relating to the security for the Notes, the Bank Note or the Obligations, the County's ability to pay the Obligations or perform its obligations hereunder or under the Fee Letter or the interests, security, rights or remedies of the Bank or the pledge of, lien on or security interest on ad valorem taxes or shall seek an adjudication that the Reimbursement Agreement, any other Related Document to which the County is a party or any provision of the Reimbursement Agreement, the Order or the Issuing and Paying Agent Agreement relating to the security for the Notes, the Bank Note or the Obligations, the County's ability to pay the Obligations or perform its obligations under the Reimbursement Agreement or under the Fee Letter or the interests, security, rights or remedies of the Bank, is not valid and binding on the County or the County shall repudiate its obligations under the Reimbursement Agreement, the Order or any other Related Document; or (iii) the validity, effectiveness or enforceability of the pledge of, lien on or security interest in the ad valorem taxes granted to the Notes and the Obligations the Reimbursement Agreement and under the Fee Letter and the Bank Note under the Reimbursement Agreement, the Order and the Issuing and Paying Agent Agreement shall at any time for any reason cease to be valid, effective or binding as a result of a finding or ruling by a court or Governmental Authority with competent jurisdiction, or shall be declared, in a final non-appealable judgment by any court of competent jurisdiction, to be null and void, invalid or unenforceable;

(f) Any provision of this Reimbursement Agreement, the Order or the Issuing and Paying Agent Agreement relating to the security for the Notes, the Bank Note or the Obligations, the County's ability to pay the Obligations or perform its obligations under or under the Fee Letter

or the interests, security, rights or remedies of the Bank shall at any time for any reason cease to be in full force or effect, (B) any Related Document to which the County is a party, except for any Dealer Agreement which has been terminated due to a substitution of a Dealer, or any material provision of any of the foregoing documents, shall at any time for any reason cease to be in full force or effect, or (C) the County or any Person acting by or on behalf of the County shall deny or disaffirm the County's obligations under the Reimbursement Agreement, the Order or the Issuing and Paying Agent Agreement or any other Related Document to which the County is a party;

(g) A final judgment or order for the payment of money in excess of \$20,000,000 (in excess of the amount of proceeds of applicable insurance actually paid in satisfaction of such judgment) shall have been rendered against the County and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of 45 days from the date on which it was first so rendered;

(h) (A) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any General Obligation Debt (including, without limitation, amounts due under any Bank Agreement); (B) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, the County seeks to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, termination, composition or other relief with respect to it or its debts (or the existence of the County is dissolved or terminated by any other means); (C) the County seeks appointment of a receiver, issuing and paying agent, custodian or other similar official for itself or for any substantial part of the County's property, or the County shall make a general assignment for the benefit of its creditors; (D) there shall be commenced against the County any case, proceeding or other action of a nature referred to in clause (B) above and the same shall remain undismissed; (E) there shall be commenced against the County any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; (F) a financial control board, or its equivalent, shall be imposed upon the County by a Governmental Authority; (G) the County takes action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A), (B), (C), (D), (E) or (F) above; or (H) the County shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(i) Any of Fitch, Moody's or S&P shall have downgraded the City's unenhanced General Obligation Debt to below BBB, Baa2 or BBB, respectively, or suspended or withdrawn its rating of the same for any credit-related reason (and such suspension or withdrawal is initiated by the respective rating agency);

(j) Any legislation relating to the County is repealed, reenacted, amended or otherwise modified (including, without limitation, by legislative or judicial action) or any other legislation is enacted, repealed, reenacted, amended or otherwise modified, and in the event of a repeal, reenactment, amendment, modification or enactment, such repeal, reenactment, amendment, modification or enactment, in the sole judgment of the Bank, has a material adverse effect on any

right, interest, security or remedy of the Bank under the Reimbursement Agreement or the other Related Documents;

(k) (A) any “event of default” shall have occurred and be continuing under any Related Document beyond the expiration of any applicable grace period or (B) any “event of default” under any Bank Agreement with respect to any General Obligation Debt shall have occurred and be continuing beyond the expiration of any applicable grace period;

(l) The ad valorem taxes necessary to pay any amounts coming due under the Notes, the Bank Note or the Obligations or any funds or accounts or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established pursuant to the Issuing and Paying Agent Agreement or the other Related Documents, that have been pledged to or a lien granted thereon to secure the Notes, the Bank Note or the Obligations, shall become subject to any writ, judgment, warrant or attachment, execution or similar process which shall not have been vacated, discharged, or stayed or bonded pending appeal within fifteen (15) days from the entry thereof; or

(m) The authority of the County under the Order is limited as a result of federal, state, or municipal legislative or administration action or a final non-appealable judgment by any court having jurisdiction over the County so as to prevent the County from exercising its power to levy taxes sufficient in amount to pay the principal of and interest on any Advance, Note, Bank Note or any other Obligation when due; or as a result of any judgment or other decree by any court having jurisdiction over the County, the County is unable set tax rates or collect revenues in a timely manner sufficient in amount to pay the principal of and interest on any Advance, Note, Bank Note or any other Obligation when due.

Remedies for an Event of Default. Upon the occurrence of any Event of Default, all Obligations under the Reimbursement Agreement shall bear interest at the Default Rate, payable upon demand, and the Bank may exercise any one or more of the following rights and remedies in addition to any other remedies in the Reimbursement Agreement or by law provided:

(a) by notice to the County, declare all Obligations to be, and such amounts shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the County; provided that upon the occurrence of an Event of Default described under Section 7.01(h) of the Reimbursement Agreement such acceleration shall automatically occur (unless such automatic acceleration is waived by the Bank in writing), and the County shall pay to the Bank such amounts from any unrestricted funds legally available, and following the Event of Default, appropriated by the County, for such purpose as described above and to the extent that the County's legally available and appropriated funds are insufficient to pay such amounts upon demand, the amount of such deficiency shall not become due and payable prior to the earlier to occur of (x) the date on which the County has appropriated unrestricted legally available funds to pay all or a portion of the deficiency or (y) February 1 of the calendar year immediately following the date the County next adopts an order levying ad valorem taxes on tangible property within the limits of the County; and provided, further, that

interest on any unpaid amounts due under this Section 7.02 shall bear interest at the Default Rate until such principal amounts are paid in full;

(b) by notice of the occurrence of any Event of Default to the Issuing and Paying Agent (which notice shall constitute a “No-Issuance Notice” for purposes of the Issuing and Paying Agent Agreement) prohibit, until such time, if any, as the Bank shall withdraw (in writing) such notice, the issuance of additional Notes, reduce the Stated Amount of the Letter of Credit to the amount of the then Outstanding Notes supported by the Letter of Credit and interest payable thereon at maturity of such Notes and/or terminate and/or permanently reduce such Stated Amount as the then Outstanding Notes are paid;

(c) issue the Final Drawing Notice (the effect of which shall be to cause the Termination Date of the Letter of Credit to occur on the 15th day after the date of receipt thereof by the Issuing and Paying Agent);

(d) pursue any rights and remedies it may have under the Related Documents; or

(e) pursue any other action available at law or in equity.

Depository Trust Company

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each issue of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules

applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the financing documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such a maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit

Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Issuing and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuing and Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Issuing and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the County or the Issuing and Paying Agent as set forth in the Order. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

PENDING LITIGATION

The County is a defendant in various lawsuits and is aware of pending claims arising in the ordinary course of the performance of governmental functions, certain of which seek substantial damages. Such litigation includes lawsuits claiming damages that allege personal injuries, wrongful deaths and property damage and lawsuits alleging discriminatory hiring and firing practices; various claims from contractors for amounts under construction contracts; inverse condemnation claims; and various other liability claims. The status of such litigation ranges from an early discovery stage to various levels of appeal of judgments. The amount of damages is limited in certain cases under the Texas Tort Claims Act and is subject to appeal.

In 2016, the case of *O'Donnell v. Harris County*, Case No. 4:16-cv-01414, was filed in the United States District Court for the Southern District of Texas, alleging violations of civil rights on the basis of unequal treatment of indigent misdemeanor defendants in the requirements applied to be released on bail. The parties entered into, and the District Court approved, a seven-year consent decree which will result in expenditures by the County in the amount of \$18,076,503.33 through Fiscal Year 2029.

In 2019, the case of *Russell v. Harris County*; Case No. 4:19-cv-00226 was filed in the United States District Court for the Southern District of Texas against the County and the Harris County Sheriff, and later amended to include class action allegations and the addition of twenty-three state criminal district court judges, alleging violations of civil rights on the basis of unequal

treatment of indigent felony defendants in the requirements applied to be released on itself against these suits vigorously. The County cannot predict, as of the date hereof, the final outcome of any of such claims and suits. In the opinion of management of the County, it is improbable that lawsuits now outstanding against the County that are associated with its operation could become final in a time and manner so as to have a material adverse financial impact upon the operations of the County.

ENVIRONMENTAL REGULATION

General

The County is subject to the environmental regulations of the State and the United States. These laws and regulations are subject to change, and the County may be required to expend substantial funds to meet the requirements of such regulatory authorities.

Air Quality

Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the Texas Commission on Environmental Quality (“TCEQ”) may curtail new industrial, commercial and residential development in the County. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight county Houston-Galveston-Brazoria Area (“HGB Area”) has been designated by the EPA as a non-attainment area under three separate federal ozone standards: the one-hour (124 parts per billion (“ppb”)) and eight-hour (84 ppb) standards promulgated by the EPA in 1997 (the “1997 Ozone Standards”); the tighter, eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the “2008 Ozone Standard”); and the EPA’s most recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the “2015 Ozone Standard”). While the State has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

On April 5, 2015, the EPA revoked the 1997 Ozone Standards. Although the HGB Area air quality has been attaining the 1997 Ozone Standards since 2014, EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area “anti-backsliding” requirements. In late 2016, EPA approved the TCEQ’s “redesignation substitute” for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard). 81 Fed. Reg. 78691 (Nov. 8, 2016).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in *South Coast Air Quality Management District v. EPA*, 882 F.3d 1138 (D.C. Cir. 2018). The court vacated the EPA redesignation substitute rule that provided the basis for EPA’s decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. To address the uncertainty created by the South Coast court’s ruling, the TCEQ developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. In December 2018, the TCEQ submitted a revision to the state implementation plan (“SIP”) formally requesting redesignation under the 1997 Ozone Standards. EPA responded in February 2020 by adopting a final rule stating that the HGB Area has no designation under the

revoked 1997 Ozone Standards and terminating all “anti-backsliding” obligations that remained applicable to the HGB Area based on the area’s continued attainment of the revoked 1997 Ozone Standards. 85 Fed. Reg. 8411 (Feb. 14, 2020). The HGB Area is no longer subject to control requirements associated with the 1997 Ozone Standards.

Since September 23, 2019, the HGB Area was designated as a “serious” ozone nonattainment area with an attainment deadline of July 20, 2021 under the 2008 Ozone Standard. Previously, the HGB Area was designated as a “moderate” nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2018, but the EPA determined that the HGB Area failed to meet the attainment deadline. In March 2020, the TCEQ adopted a revision to the Texas SIP that included an updated attainment demonstration for the 2008 Ozone Standard and submitted it to the EPA in May 2020. The TCEQ requested a 1-year attainment date extension for the 2008 Ozone Standard. The EPA denied the State’s request for an attainment date extension and recently, published notice in the Federal Register that Texas regulators failed to attain the appropriate standard by the attainment date.

The HGB Area will be reclassified in December 2022 and designated as a “severe” nonattainment area for the 2008 Ozone Standard and a “moderate” nonattainment area for the 2015 Ozone Standard. For purposes of the 2015 Ozone Standards, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties. The new attainment date for the 2015 Ozone Standard is August 3, 2024. However, the TCEQ requested a 1-year attainment date extension.

Under the CAA, the State is subject to ongoing obligations to make progress toward and eventually to reach compliance with the federal ozone standards in the HGB Area, based on monitored air quality. The TCEQ’s SIP for the HGB Area demonstrates progress toward attainment, and includes emission control requirements for ozone-causing pollutants emitted by the industrial sector. Failure to attain an ozone standard could subject industrial sources in the HGB Area to more-stringent controls on emissions. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

Regarding the HGB Area SIP requirements that regulate the inspection and use of automobiles, such measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to attain the ozone standards by the EPA’s attainment deadlines. These additional controls could have a negative impact on the HGB Area’s economic growth and development.

Other potential impacts upon economic growth and development include lawsuits filed under the CAA by plaintiffs seeking to require emission reduction measures that are even more stringent than those adopted by TCEQ and approved by EPA. From time to time, various plaintiff environmental organizations have filed lawsuits against TCEQ and EPA seeking to compel the adoption of additional emission reduction measures, many of which could make it more difficult for businesses to construct or expand industrial facilities or which could result in travel restrictions

or other limitations on the actions of businesses, governmental entities and private citizens. Any successful court challenge to the currently effective SIP could result in the imposition of even more stringent air emission controls.

Area Topography and Land Subsidence

The land surface in certain areas of the County has subsided several feet over the past seventy-five (75) years and the subsidence is continuing. The principal causes of subsidence are considered to be the withdrawal of groundwater and, to a lesser extent, oil and gas production. Subsidence may impair development in certain areas and expose such areas to flooding and severe property damage in the event of storms and hurricanes, and thus may affect assessed valuations in those areas. In 1975, the Texas Legislature created the Harris-Galveston Coastal Subsidence District (“Subsidence District”) to provide regulatory control over the withdrawal of groundwater in Harris and Galveston Counties in an effort to limit subsidence. This groundwater conservation district, with no powers to levy taxes or incur debt, has required most suppliers of water to reduce consumption of groundwater and to convert their primary source of supply to surface water.

With the reduction of withdrawal of groundwater, the rate of subsidence has been reduced. However, Subsidence District regulations that require conversion to surface water can be costly to industries, municipalities and other water suppliers since the process of converting from a groundwater supply to a surface water supply can result in substantial capital expenditures. The per unit cost of supplying surface water is substantially higher due to the greater cost of treatment and transportation. In response to the Subsidence District’s requirements, local municipalities within the County, water authorities and water districts have initiated several measures and programs to provide treated surface water in the region, including the negotiation and execution of water supply contracts and capital cost sharing agreements to support the development and expansion of water purification plants in the region.

PANDEMICS, WEATHER EVENTS AND PERIODIC FLOODING

COVID-19 Pandemic

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. Subsequently in

response to a rise in COVID-19 infections in the State, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State of Texas. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Offering Memorandum.

The Pandemic has negatively affected travel, commerce, and financial markets globally and is widely expected to continue negatively affecting economic growth and financial markets worldwide. The County continues to monitor the Pandemic and work with local, state and national agencies to address its potential impact on the County. The impact of COVID-19 is expected to have a negative financial impact on local, state and national economies, the severity of which is unknown at this time, in a manner that could adversely affect the amount of property and sales and use taxes, franchise charges and fees, and other general revenues received by the County.

The County has identified several funding sources to assist with expenses related to the Pandemic. In April 2020 the County received \$426 million from the U.S. Department of Treasury pursuant to the Coronavirus Aid Relief & Economic Security Act (the “*CARES Act*”). As of September 30, 2022, the period of performance for the CARES funds has ended. Programs and expenses approved by Commissioners Court include: (1) a \$4.7 million Childcare Assistance Program, (2) a \$35.6 million Emergency Rental Assistance Fund, (3) a \$26.9 million Small City Assistance Program, (4) a \$46.6 million Student Digital Services Program, (5) a \$67.6 million Direct Assistance Program, (6) a \$2.2 million Community Spread Survey Program, (7) a \$10.5 million Small Business Grant Program, (8) a \$4 million Census Outreach Program, (9) a \$2.3 million Workforce Development Program, (10) a \$2.2 million Domestic Violence Program, (11) \$5.8 million in expenditures for program management office administration, and (12) \$217.5 million expenditure for law enforcement labor. In addition, the Commissioners Court approved the \$30 million COVID-19 Relief Fund to provide aid for County residents who are ineligible for federal aid through the CARES Act.

The County has also received funding under the American Rescue Plan Act of 2021 (ARPA). As of June 28, 2022, the County had received \$915.5 million in ARPA Local Fiscal Recovery funding. The ARPA Local Fiscal Recovery funds must be obligated by December 2024 and spent by December 2026 and can cover a range of eligible uses, including recovery from the public health emergency or economic impacts of the Pandemic, investments in water, sewer, and broadband infrastructure, and coverage of revenue shortfalls that may arise relative to expected revenue at pre-pandemic growth rates. To date, \$465.5 million in ARPA Local Fiscal Recovery Funds have been dedicated to projects including direct financial assistance to low-income households (\$65 million), small business grants (\$32 million), emergency COVID medical staff (\$72 million), vaccine incentives (\$13 million), lead testing and abatement (\$20 million), behavioral health (\$23.7 million, of which \$8.9 million is dedicated to Healthy Minds and Healthy Communities plus \$14.8 million for Behavioral Health awards), justice and safety initiatives (\$67 million), homelessness services (\$47 million), coordinated care technology investments (\$14 million), early childhood initiatives (\$9 million), maternal and child health (\$8 million), affordable

housing (\$7 million), food and nutrition programs (\$7 million), workforce development (\$9.7 million), public health and library payroll and other eligible expenses (\$12 million), and other recovery efforts. The County has also been allocated \$166 million in rental assistance funding for use in supporting local residents: \$93 million from the Consolidated Appropriations Act of 2021 and \$73 million from ARPA, together with \$17 million in HOME-ARP funding to support homeless individuals. The County has not included the federal COVID-19 relief funding under the CARES Act or the ARPA in its General Fund.

In addition to the development of programs to distribute funds to residents and small businesses in response to the Pandemic, on May 19, 2020 the Commissioners Court approved increasing the existing homestead exemption for homeowners who are 65 years of age or older or disabled from \$160,000 to \$229,000 and in June 2022 the exemption was raised from \$229,000 to \$250,000.

The County entered the Pandemic with over \$300 million set aside in its Public Contingency Fund to help mitigate adverse impacts on the County's revenues and expenses resulting from emergencies and other contingencies such as the Pandemic, major flood events and other major weather events (such as potential hurricanes). Primarily due to COVID-related spending, the Public Contingency Fund balance has dropped to an unencumbered balance of \$60 million as of April 26, 2022. The County continues to pursue FEMA reimbursement for eligible spending and anticipates a total estimated reimbursement of \$338 million, consisting of \$28 million received and future reimbursement of \$309 million. On April 26, 2022, Harris County Commissioners Court authorized the transfer of up to \$124 million to help restore the contingency balance (\$75 million from the General Fund and \$49 million from the Response and Recovery Fund). The County does not expect the total amount of unreimbursed Pandemic-related expenses to affect its ability to timely make debt service payments on the Certificates, its outstanding bonds, or other obligations or to have a significant impact on the County's ability to fund essential operations. The long-term impact of the Pandemic on the County cannot be quantified at this time.

General Weather Events

The County is located near the Texas Gulf coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by rain events, hurricanes, tropical storms, and other tropical disturbances. Due in part to its relatively flat topography and moist coastal climate, and partly due to the effects of subsidence, certain areas of the County are subject to periodic flooding and associated severe property damage as a result of rain events, tropical storms and hurricanes. See "Hurricane Harvey." The County and most of the municipalities located within the County participate in the National Flood Insurance Program administered by the Federal Emergency Management Agency ("FEMA"). Communities participating in the National Flood Insurance Program are required by FEMA to adopt restrictions on development in designated flood-prone areas. In exchange, the National Flood Insurance Program makes federal subsidized flood insurance available to property owners located in the participating communities. Given the ongoing effects of subsidence as well as increased development and urbanization within the County, FEMA periodically updates and revises its maps designating the areas of the County that are subject to special flood hazards. Properties that are currently located outside of a designated flood-prone area may suffer a reduction in value if they are placed within the boundaries of a special flood hazard area the next time FEMA updates and revises its flood maps.

Not all flood hazards are mapped on the FEMA flood maps, nor is every bayou or creek in the County studied. Flooding can occur from ponding or overland sheet flow when intense rainfall overwhelms the local street drainage system. The mapped floodplain is only an estimate of where flooding is predicted to occur from a bayou or creek, given a set of parameters including a hypothetical rainfall occurring over a watershed for an assumed amount of time. During an actual rain event, natural conditions can result in greater amounts of rainfall or runoff, resulting in flood levels deeper and wider than shown on the FEMA maps.

From February 12-19, 2021, the State experienced a severe winter storm (“Winter Storm Uri”) which included prolonged freezing temperatures, heavy snow and freezing rain statewide. Winter Storm Uri led to power outages and potable and non-potable water shortages in many areas of the State, including the County. The federal government issued a Major Disaster Declaration for the State of Texas and has included federal funding for emergency protective measures. The County did not sustain material damage to its infrastructure during Winter Storm Uri, but the County cannot predict the impact of future weather events.

If flooding or another weather-related event, including a winter storm, were to significantly damage improvements within the County, the assessed value of property within the County could be reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the County's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the County will be covered by insurance (or property owners will choose to carry flood insurance), any insurance company will fulfill its obligations to provide insurance proceeds or that insurance proceeds will be used to rebuild or repair damaged improvements within the County. Even if insurance proceeds are available and improvements are rebuilt, there could be a period of time in which assessed values within the County would be adversely affected.

Hurricane Harvey

Hurricane Harvey made landfall on August 25, 2017 near Corpus Christi, Texas, 200 miles south of the County. The impact of Hurricane Harvey on Harris County was primarily a historic flooding event; the County sustained minimal damage from wind, storm surge and other weather effects typically associated with a hurricane. Four buildings, including the Criminal Justice Building and Jury Assembly Building, both in downtown Houston, and two courthouse annexes were severely damaged and several smaller buildings around the county received minor damage. At this time, the Criminal Justice Building is partially occupied and functional while it is being repaired and both annexes have been repaired and re-opened. The Jury Assembly Building has been repaired but is not being used currently. The combination of FEMA funding, State funding and insurance coverage is expected to cover most of the cost of repairing these buildings. The County has sufficient funds on hand to cover any unreimbursed expenses relate to its damaged assets. The County was reimbursed by FEMA for most of its costs incurred for emergency operations during the storm, debris removal after the storm and other recovery costs.

Property values were temporarily impacted for homes that sustained flood damage and that were still being repaired on January 1, 2018. Once fully repaired, these homes generally returned to their pre-storm values. The ad valorem tax values as of January 1, 2019 and the estimated values as of January 1, 2020 were both up overall by 3-6%. As with similar events, there was not a significant impact on property values for Harris County, due to continued growth in both residential and business property.

On August 25, 2018, voters approved \$2,500,000,000 in bonds for the purpose of financing flood control. The projects include the purchase of lands, easements, rights-of-way and structures, voluntary buyouts of flood-prone properties, property acquisition for preserving natural flood plains, and for the acquisition and construction of detention basins, channel modifications and other improvements and works suitable for use in connection with flood damage reduction. The Flood Control District currently also receives an annual allocation of \$120 million of property tax revenue for use in flood control efforts. As a result of Hurricane Harvey and other major flooding events over the last few years, several potential changes to the local system of watersheds, reservoirs and channels are being considered, some of which would require significant additional funding, including State and Federal funds, as well as additional County and Flood Control District resources. The County is reviewing additional funding options to finance flood control, but the required additional funding is not expected to slow flood control projects for several years.

FINANCIAL AND OTHER INFORMATION

Continuing Disclosure of Information

Pursuant to SEC Rule 15c2-12 (the “Rule”), the County has agreed to provide annual updated financial information and operating data to certain information vendors in connection with the issuance of its bonds or notes that are not otherwise exempt. **Exempt obligations from the requirements of the Rule include the Notes.** The information to be updated includes quantitative financial information and operating data with respect to the County, including estimated County-wide and overlapping ad valorem tax debt. The County has agreed to update and provide this information within six (6) months after the end of each fiscal year, beginning with the Fiscal Year ending February 2022. The County is only required to make filings with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Market Access System (“EMMA”).

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements if the County commissions an audit and the audit is completed by the required time. If audited financial statements are not available by the required time, the County will provide unaudited financial statements and audited financial statements when and if the audit becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation.

The County recently transitioned to a new fiscal year that will begin on October 1 and end on September 30 of the next calendar year. In order to implement this change, the County had a seven month stub fiscal year that began on March 1, 2022 and ended on September 30, 2022. The County will issue financial statements within 180 days of the September 30, 2022 end of the seven month stub fiscal year. The next fiscal year is a full twelve month fiscal year that began on October 1, 2022 and will end on September 30, 2023.

Independent Auditor

Appendix B to this Offering Memorandum contains the County’s audited financial statements for the fiscal year ended February 28, 2022. The financial statements of the County as of and for the Fiscal Year ended February 28, 2022, included in this Offering Memorandum have

been audited by Deloitte & Touche LLP, an independent auditor, as stated in their report included with such financial statements in Appendix B.

The basic financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and, in addition to financial information with respect to the County, include financial information with respect to the District, the Harris County Sports & Convention Corporation, the Harris County Redevelopment Authority, the Harris County Hospital District, doing business as Harris Health System, Harris County Housing Finance Corporation, Harris Center for Mental Help and IDD (formerly Mental Health and Mental Retardation Authority of Harris County), Harris County Industrial Development Corporation, Children's Assessment Center foundation, Inc., Harris County Health Facilities Development Corporation, Harris County Cultural Education Facilities Finance Corp. and Friends of County Pets, all of which are separate entities which are not obligated for the payment of the Notes. Accordingly, financial and statistical information with respect to such separate entities is generally not included in this Offering Memorandum.

The County's audited financial statements for the Fiscal Year ended February 28, 2022 were presented to the Commissioners Court in early September 2022. Following the acceptance of the audited financial statements, the County posted them to EMMA in accordance with its existing continuing disclosure agreements.

RATINGS

S&P has assigned a rating of “A-1+” to the Notes and Fitch has assigned a rating of “F1” to the Notes. The ratings reflect only the views of the rating agencies, from which an explanation of the significance of such ratings may be obtained. There is no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the market price of the Notes. The County will undertake no responsibility to notify the owners of the Notes of any such revisions or withdrawals of the ratings.

NO DEALER, BROKER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS OFFERING MEMORANDUM IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE NOTES OFFERED HEREBY, NOR SHALL THERE BE ANY OFFER OR SOLICITATION OF SUCH OFFER OR SALE OF NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION, OR SALE. NEITHER THE DELIVERY OF THIS OFFERING MEMORANDUM NOR THE SALE OF ANY OF THE NOTES IMPLIES THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE COUNTY, PUBLISHED SOURCES, AND OTHER DATA FURNISHED BY THE COUNTY. THE DEALER MAKES NO REPRESENTATION AS TO EITHER THE ACCURACY OR

COMPLETENESS OF THE INFORMATION HEREIN. ADDITIONAL COPIES OF THIS COMMERCIAL PAPER MEMORANDUM MAY BE REQUESTED FROM GOLDMAN SACHS & CO. LLC AT (212-902-6633).

For Further Information - Please Contact:

County

Harris County, Texas
County Administration Building
Office of Management and Budget
1001 Preston Street, Suite 500
Houston, Texas 77002
Attention: Deputy Executive Director
Telephone: (713) 274-1100
Fax: (713) 437-5869

Dealer

Goldman Sachs & Co. LLC
200 West Street, 5th Floor
New York, NY 10282
Telephone: (212)-902-6633
Email: ficc-municip-traders@gs.com
Attention: Municipal Money Market Sales and Trading – CP and Notes Trading

**APPENDIX A
(BANK DISCLOSURE)**

SUMITOMO MITSUI BANKING CORPORATION

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) (“**SMBC**”) is a joint stock corporation with limited liability (*Kabushiki Kaisha*) under the laws of Japan. The registered head office of SMBC is located at 1-1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc. (“**SMFG**”) was established through a stock transfer as a holding company under which SMBC became a wholly-owned subsidiary. **SMFG reported ¥271,748,777 million (US\$1.9 trillion) in consolidated total assets as of September 30, 2022.**

SMBC is one of the world’s leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate and government bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products, including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the New York State Department of Financial Services to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the New York State Department of Financial Services and the Federal Reserve Bank of New York.

Financial and Other Information

Audited consolidated financial statements for SMFG and its consolidated subsidiaries for the fiscal year 2021 ended March 31, 2022, as well as other corporate data, financial information and analyses, are available in English on SMFG's website at www.smfg.co.jp/english. The information on SMFG’s website does not form part of this Disclosure/Prospectus Supplement and is not incorporated herein by reference. SMBC does not accept any responsibility for any information contained in this Disclosure/Prospectus Supplement other than the information relating to SMBC, acting through its New York Branch.

The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

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APPENDIX B

County's Audited Financial Statements for Fiscal Year Ended February 28, 2022

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APPENDIX C

Form of Legal Opinion

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THE STATE OF TEXAS

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COUNTY OF HARRIS

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I, the undersigned, the duly elected, qualified and acting County Clerk and Ex Officio Clerk of the Commissioners Court of Harris County, Texas, do hereby specify that the attached and foregoing is a true and correct copy of an order entitled:

SEVENTH AMENDED AND RESTATED ORDER AUTHORIZING THE ISSUANCE OF HARRIS COUNTY, TEXAS, GENERAL OBLIGATION UNLIMITED TAX COMMERCIAL PAPER NOTES, SERIES C, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$360,000,000 FOR THE PURPOSE OF PROVIDING MONEY FOR CERTAIN AUTHORIZED PURPOSES; APPROVING AND AUTHORIZING CERTAIN AUTHORIZED OFFICERS AND EMPLOYEES TO ACT ON BEHALF OF THE COUNTY IN THE SELLING AND DELIVERY OF SUCH NOTES, WITHIN THE LIMITATIONS AND PROCEDURES SPECIFIED HEREIN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, DELIVERY AND SECURITY OF THE NOTES, INCLUDING THE APPROVAL OF AN OFFERING MEMORANDUM AND RATIFYING AND CONFIRMING THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT, THE ISSUING AND PAYING AGENT AGREEMENT AND COMMERCIAL PAPER DEALER AGREEMENT

adopted by such Commissioners Court at a regular meeting, open to the public, held on January 10, 2023, together with an excerpt from the minutes of such meeting showing the adoption thereof, as same appears of record in the official minutes of such Commissioners Court on file in my office.

I further certify that the written notice of the date, hour, place and subject of the meeting of the Commissioners Court of Harris County, Texas, acting for an on behalf of Harris County at which the foregoing order was adopted, was posted on a bulletin board located at a place convenient to the public in the Harris County Administration Building and readily accessible to the general public at the earliest possible time, pursuant to Chapter 551, Texas Government Code, as amended.

WITNESS MY HAND AND THE OFFICIAL SEAL OF SUCH COURT, this January 10, 2023.

TENESHIA HUDSPETH, County Clerk and Ex Officio Clerk of the Commissioners Court of Harris County, Texas

By: _____

(SEAL)