

**NOTICE OF MEETING
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3**

TO: THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3,
AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Harris County Improvement District No. 3 (the "District") will hold a **REGULAR MEETING**, open to the public, on **TUESDAY, OCTOBER 21, 2025**, at **9:00 a.m.**, at 3120 Southwest Freeway, Houston, Texas 77098, within the boundaries of the District.

At the meeting the following items will be considered and acted on:

1. **Approve minutes of September 23, 2025, meeting;**
2. **Receive comments or questions from the public;**
3. **Receive security and patrol services report;**
 - a) Receive general report;
 - b) Approve Revised and Restated Security Agreement;
 - c) Authorize creation and operation of security app;
 - d) Authorize other appropriate action;
4. **Receive report on federal/state/local funding development and management** [The Goodman Corporation ("TGC")];
5. **Receive property tax advisor report:**
 - a) Receive general report;
 - b) Authorize appropriate action;
6. **CONDUCT PUBLIC HEARING ON PROPOSED 2025 TAX RATE:**
 - a) Adopt Order Levying Taxes for 2025 [GO 2025-__];
 - b) Approve Amendment No. Eighteen to the Information Form;
7. **Project design, acquisition, and construction:**
 - a) **Shepherd Drive Improvements** [T-1914]:
 - i) Update on UKRA construction progress;
 - b) **West Alabama Street Improvements** [T-1920]:
 - i) Update on design progress;
 - c) **Kirby Drive Improvements (US 59 to Bissonnet)** [T-1926]:
 - i) Update on planning progress;
 - d) **Buffalo Speedway Improvements (US 59 to Westheimer)** [T-1918]:
 - i) Update on planning progress;
 - e) Authorize appropriate action;
8. **Facilities and grounds maintenance:**
 - a) Receive general report;
 - b) Authorize other appropriate action;
9. **Audit and Reporting Matters:**
 - a) Engage auditor to prepare audit for fiscal year ending October 31, 2025;
 - b) Authorize preparation of Annual Report in accordance with District's Continuing Disclosure of Information Agreement and as referenced by SEC Rule 15c2-12;
10. **Financial and administrative matters:**
 - a) Receive bookkeeping report, and authorize payment of invoices;
 - b) Approve proposed budget for FY 2026;
 - i) Approve Executive Compensation Addendum No. 21;
 - c) Authorize other appropriate action;

11. Approve Resolution Recommending Directors and Requesting City of Houston Approval [GR 2025-__];
12. Consider adjournment.

*The Board will conduct an in-person meeting at its physical meeting location with a quorum of the Board present; provided that some Board members may participate by videoconference as provided in Section 551.127, Government Code.




Executive Director for the District

ATTEND VIA VIDEO: <https://us02web.zoom.us/j/86512688430?pwd=jmaPBOgVr0KhXfaAfCr3gC5o8UYnAN.1>

ATTEND VIA AUDIO: 1-346-248-7799

MEETING ID: 865 1268 8430 | **PASSCODE:** 389564

TAXPAYER IMPACT STATEMENT

	Current Budget Fiscal Year Ending (September 2025)**	Proposed Budget Fiscal Year Ending (September 2026)**	No-New-Revenue Tax Rate Budget***
Estimated District Operations and Maintenance Tax Bill on Average Homestead*	\$1,286.34	\$1,286.34	\$1,286.34

*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$0.12879 per \$100 of assessed value. Average homestead values are determined by the Harris Central Appraisal District. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

**Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

***This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

PROPOSED BUDGET AVAILABLE

Electronic copies of the proposed budget are accessible at <https://www.upperkirby.org>. Physical copies of the budget are available upon request during regular business hours at 4120 Southwest Freeway, Houston, Texas.

MINUTES OF REGULAR MEETING
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

September 23, 2025

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Improvement District No. 3 (the "District") met in regular session, open to the public, on the 23rd day of September, 2025, at the regular meeting place, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of the said persons were present, except Director Chesnick.

Also attending all or portions of the meeting were Travis Younkin, Sharon Haynie, and Lee Cisneros of the District; Captain Paul Martinez of Houston Metro Coordinators ("HMC"); Lita Lemus of Utility Tax Service, LLC; Melissa Morton of The Morton Accounting Services; Kristen Hennings of Quiddity-1, Inc.; Joe Morrow of Hilltop Securities Inc. ("Hilltop"); and John Kuhl and Audrey Lyons of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

Vice President King noted that a quorum of Board members was present and called the meeting to order.

APPROVE MINUTES

The Board considered approving the minutes of the June 17, 2025, meeting. Upon motion by Director Rice, seconded by Director Gibbs, and after full discussion, the Board voted unanimously to approve the minutes, and to authorize execution by the Secretary, and if necessary, to authorize the use of facsimile, electronic, or other appropriate signatures.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments or questions from the public. There were no comments or questions from the public.

RECEIVE SECURITY AND PATROL SERVICES REPORT

Captain Martinez reviewed patrol services activity and statistics reports for the months of June, July, and August. He noted an 8% overall increase in crime in June and a 19% decrease in July. He also reviewed August, advising there was a 1% increase in overall crime. He discussed specific incidents and hotspots within the District, noting that the area within the District continues to be one of the safest when compared to adjacent areas. He then discussed vehicle upgrades and proposed service enhancements, and increased security coverage during the upcoming holiday period.

The Board took the security and patrol services report under advisement.

Provision of additional security services

Captain Martinez and Mr. Younkin reviewed the current level of security services within the District. They discussed the need for additional services, the possible addition of officers, anticipated shift adjustments required to accommodate additional officers, and a rate increase for the officers. Captain Martinez stated that additional

officers will help address ongoing concerns related to mental health incidents and vagrant criminal issues within the District.

Captain Martinez then exited the meeting.

REVIEW REPORT ON FEDERAL/STATE/LOCAL FUNDING DEVELOPMENT AND MANAGEMENT

Mr. Younkin provided a brief update on grant matters, noting that funding awards are reflected in the District's budget. He stated that TGC continues efforts to secure other grant funding opportunities for the District.

The Board took the report under advisement.

RECEIVE PROPERTY TAX ADVISOR REPORT

The Board then received the Property Tax Advisor Report.

Receive general report

Ms. Lemus reviewed the Property Tax Advisor's report, advising that approximately 99.06% of the 2024 taxes have been collected to date. She then reviewed a historical recap of property valuations and prior taxes levied. She also updated the Board on current HCAD valuations and updates and discussed the impact of tax lawsuit settlements.

Receive 2025 Taxable Value Report

Ms. Lemus then reviewed a Taxable Value Report for the 2025 tax cycle, which includes calculations for compliance with Truth-in-Taxation requirements as specified in Section 49.236, Water Code. She reviewed the projected 2025 taxable value after adjustment for litigation. She also reviewed the 2025 Voter-Approval Tax Rate Worksheet.

Adopt Resolution Regarding Development Status for 2025 Tax Year [GR 2025-1]

The next item on the agenda was to adopt a Resolution Regarding Development Status for 2025 Tax Year [GO 2025-1]. Mr. Kuhl reviewed the Resolution, noting it is the same designation determined by the Board in the last tax cycle. He reviewed the tax implications of being designated a "developing district".

Upon motion by Director Gibbs, seconded by Director Rice, and after full discussion, the Board voted unanimously to approve the Property Tax Advisor report, including adoption of the Resolution Regarding Development Status for the 2025 Tax Year [GR 2025-1].

Review possible tax rates and related calculations, and authorize publication of Notice of Public Hearing on Tax Rate

Mr. Morrow then presented to the Board a tax rate analysis for 2025. He reviewed debt service requirements and operations needs for the upcoming year. He recommended the District publish a maximum rate of \$0.1325 per \$100 of assessed valuation for the upcoming tax cycle.

Mr. Younkin advised a draft budget for the upcoming fiscal year has been included in the Board packet. He provided an overview of the proposed budget and the District's financial needs for the next tax cycle. He advised that the District's needs continue to be managed with cost efficiency, and that the access to grant funding continues to minimize the need for long-term debt. He advised that approval of the FY 2026 budget will be an action item at the next meeting.

Mr. Younkin then reviewed specific revenue needs from taxation, advising that the District must continue to fulfill maintenance obligations for current improvements, as well as future projects. He advised that the staff concurs with the Financial Advisor's recommendation for publishing at \$0.1325. He noted that the Board may reduce that rate, if determined necessary, at the final tax rate adoption meeting.

After further discussion, Director Rice moved to authorize the Tax Advisor to publish the Notice of

Public Hearing on Tax Rate, scheduled for Tuesday, October 21st, 2025, at 9:00 a.m., and to publish a total maximum tax rate for 2025 of \$0.1325 per \$100 of assessed value, along with the tax rate and levy analysis required by Chapter 49 of the Water Code. Director Gibbs seconded the motion, which passed by unanimous vote.

Mr. Morrow then exited the meeting.

PROJECTS REPORT

Mr. Cisneros reviewed the general project status report.

Shepherd Drive Streetscape/Landscape Improvements

Mr. Cisneros advised that project punch list items continue to be addressed, but a majority of work has been completed. He noted that sidewalk adjustments and paver work are nearing completion. He reviewed warranty application to completed components, noting that the landscaping warranty period has expired, and that the District has commenced maintenance of those improvements.

West Alabama

Mr. Cisneros advised that survey and geotechnical studies have been completed and that most necessary easements have been conveyed. He reported that the 100% project plans are complete and are currently pending before the City for final approval. Mr. Cisneros further advised that the televising and inspection of the storm sewer lines have been completed and that utility relocation agreements are under negotiation.

Mr. Cisneros then reviewed possible Phase 1 construction timeframes. He stated that bidding would likely take place in the fall, with a possible construction start after the holidays.

Kirby Drive & Buffalo Speedway

Mr. Cisneros advised that reconstruction of Kirby Drive south of US-59 and reconstruction of Buffalo Speedway north of US-59 are progressing in the pre-engineering phases with Ardurra, and that preliminary engineering reports have been submitted to the City for review.

The Board took the projects report under advisement.

FACILITIES AND GROUNDS MAINTENANCE REPORT

Receive General Report

Mr. Younkin next updated the Board on facilities and grounds maintenance matters for June, July, and August. He advised that activity has been relatively normal, with streetscape maintenance predominating.

The Board took the facilities and grounds maintenance report under advisement.

AUDIT AND REPORTING MATTERS

Ms. Lyons advised that the Audit and Reporting Matters will be deferred to the next regular Board meeting.

FINANCIAL MATTERS

Receive Bookkeeping Report

The Board next received the Bookkeeping Report. Mr. Younkin reviewed with the Board the bookkeeping reports for June, July, and August, and answered questions.

Upon motion by Director Gibbs, seconded by Director Rice, and after full discussion, the Board voted unanimously to approve the bookkeeping reports.

Personnel Committee

Mr. Kuhl noted that staff compensation and personnel matters will be considered at the next meeting with the budget. He further noted the Personnel Committee will provide recommendations for the Board's consideration. He reminded the Board that the Personnel Committee consists of President Chesnick and Director Rice.

CONSIDER ADJOURNMENT

The next item on the agenda was to consider adjournment.

There being no further business to come before the Board, the meeting was adjourned.

Secretary, Board of Directors

(SEAL)

Upper Kirby District Reported Criminal Incidents

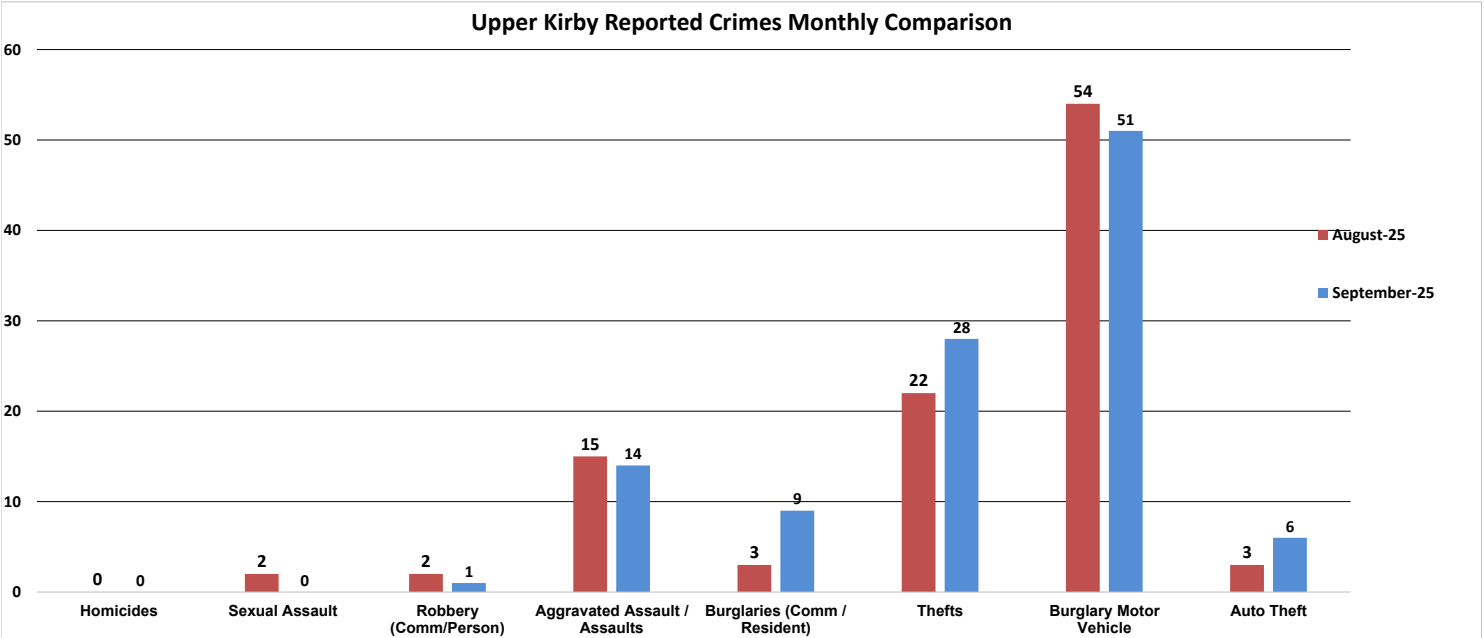
Prior Month Comparison (September 2025)

	August-25	September-25	Plus / Minus	Increase / Decrease	Date:	Event Type:	Locations	# of Events:
Homicides	0	0	#DIV/0!	No Change	Homicides			
Sexual Assault	2	0	#DIV/0!	Decrease	9/1-30/2025	Homicide / Murder	No Reported Incidents	0
Robbery (Comm/Person)	2	1	-100%	Decrease	Total Homicides:			
Aggravated Assault / Assaults	15	14	-7%	Decrease	Sexual Assaults			
Burglaries (Comm / Resident)	3	9	67%	Increase	9/1-30/2025	Sexual Assault	No Reported Incidents	0
Thefts	22	28	21%	Increase	Total Sexual Assaults:			
Burglary Motor Vehicle	54	51	-6%	Decrease	Robberies			
Auto Theft	3	6	50%	Increase	09/04/2025	Robbery	2600 Richmond - Chevron Parking Lot	1
Totals:	101	109	7%	Increase	Total Robberies:			
					Assaults / Aggravated Assaults			

NOTE: Part 1 reported criminal incidents for September 2025 demonstrates an increase of approximately 7% or 109 reported incidents within the Upper Kirby Management District. The Patrol Staff continue to monitor and adjust tactics in an attempt mitigate and arrest any criminal suspects. Additionally the monitoring of the homeless for reported illegal acts as well as proactive patrols to deter criminal activity of trespassing, panhandling, and roadway violations.

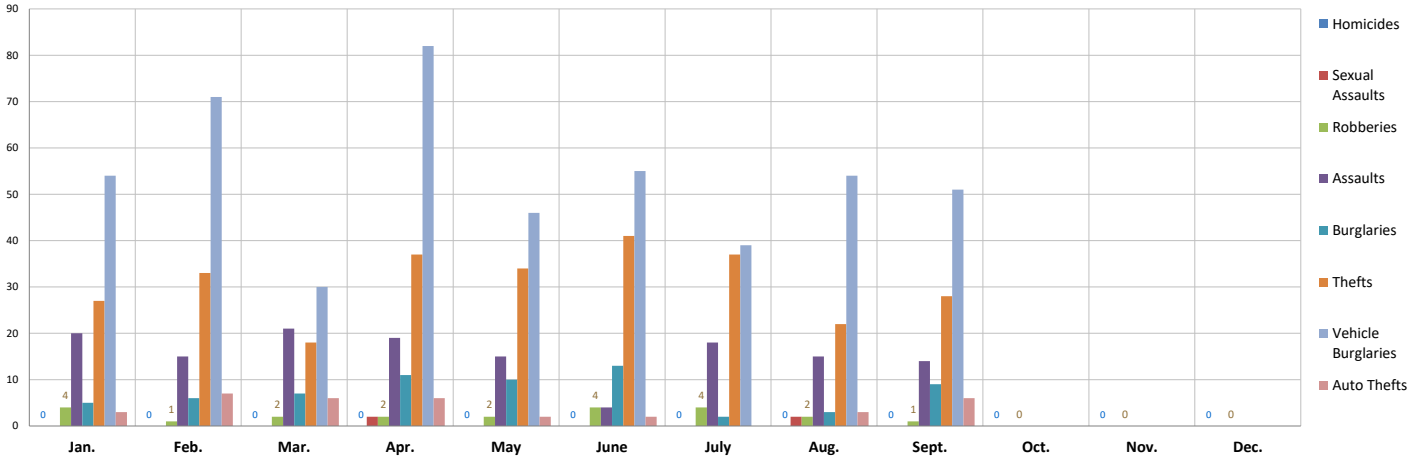
Summary:
Robberies: 9/4/25 - Chevron Parking Lot
Assaults: Sante Cocktail Bar (2) (9/12 & 9/20)
Vehicle Burglaries: Twin Peaks (2) Kirby Icehouse (3) Academy (4) Olive Garden (7)
Sexual Assault: NO REPORTED INCIDENTS

09/12/2025	Assaults	2300 Richmond - Sante Cocktail Bar	1
09/20/2025	Assaults	2300 Richmond - Sante Cocktail Bar	1
Total Assaults:			14
Burglaries (Residence / Commercial)			
9/1-30/2025	Burglaries	Various UK Locations	9
Total Burglaries:			9
Thefts (Shoplifting, Theft from Person, Etc)			
9/1-30/2025	Thefts	Various UK Locations	28
Total Thefts:			28
Burglary of Vehicles			
9/1-30/2025	Burglary Motor Vehicles	Various UK Locations	51
Total Theft from Vehicle:			51
Motor Vehicle Thefts			
9/1-30/2025	Motor Vehicle Thefts	Various UK Locations	6
Total Theft of Vehicles:			6



Upper Kirby Management Part 1 Crimes - 2025 Summary

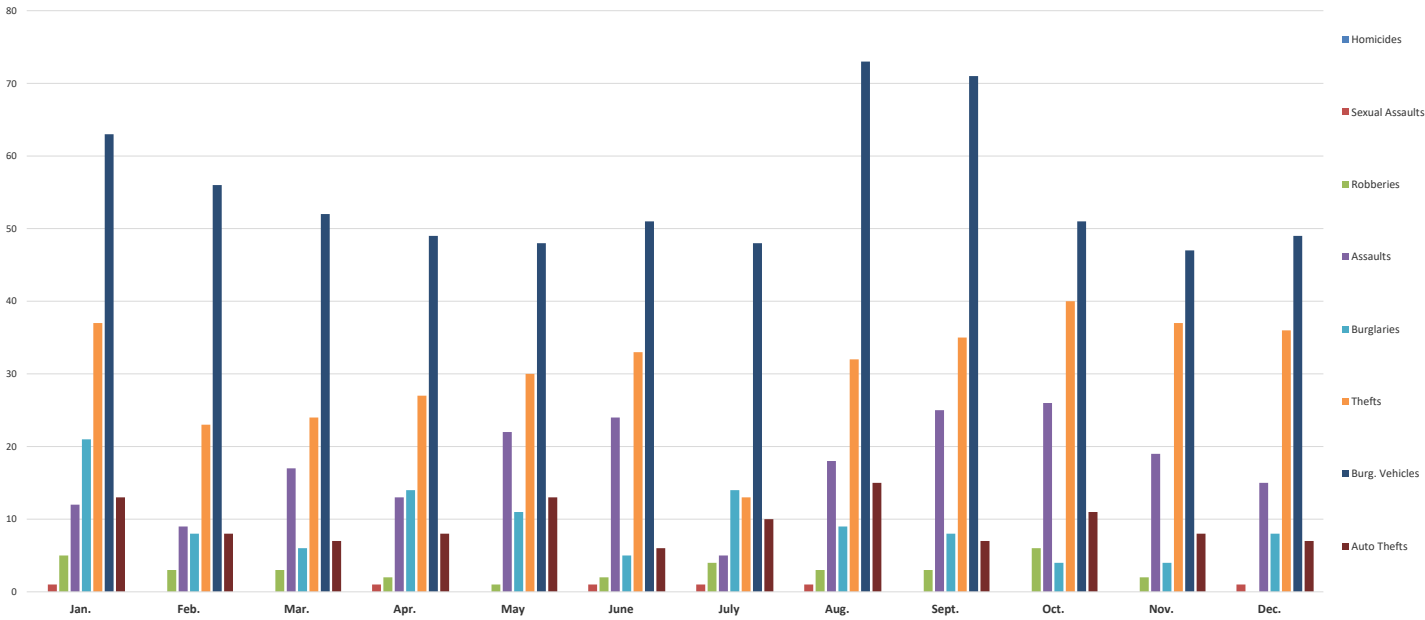
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	0	0	0	2	0	0	0	2	0	0	0	0	4
Robberies	4	1	2	2	2	4	4	2	1	0	0	0	22
Assaults	20	15	21	19	15	4	18	15	14	0	0	0	141
Burglaries	5	6	7	11	10	13	2	3	9	0	0	0	66
Thefts	27	33	18	37	34	41	37	22	28	0	0	0	277
Vehicle Burglaries	54	71	30	82	46	55	39	54	51	0	0	0	482
Auto Thefts	3	7	6	6	2	2	0	3	6	0	0	0	35



Prior Year Crime Activity Comparison

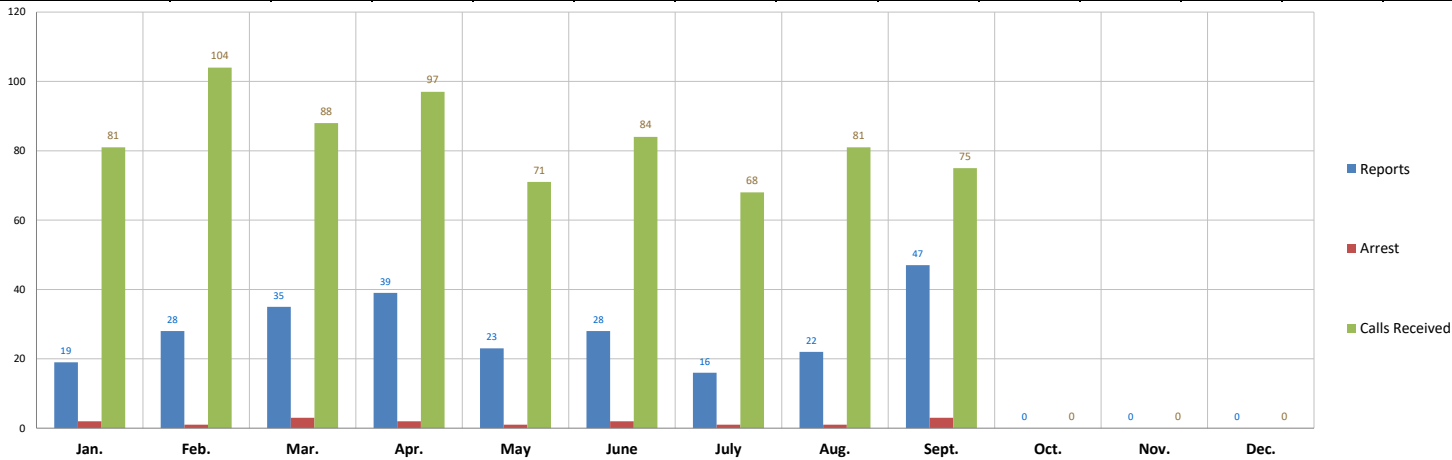
Upper Kirby Management Part 1 Crimes - 2024 Summary

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Homicides	0	0	0	0	0	0	0	0	0	0	0	0	0
Sexual Assaults	1	0	0	1	0	1	1	1	0	0	0	1	6
Robberies	5	3	3	2	1	2	4	3	3	6	2	0	34
Assaults	12	9	17	13	22	24	5	18	25	26	19	15	205
Burglaries	21	8	6	14	11	5	14	9	8	4	4	8	112
Thefts	37	23	24	27	30	33	13	32	35	40	37	36	367
Burg. Vehicles	63	56	52	49	48	51	48	73	71	51	47	49	658
Auto Thefts	13	8	7	8	13	6	10	15	7	11	8	7	113



Upper Kirby Management Patrol - 2025 Summary

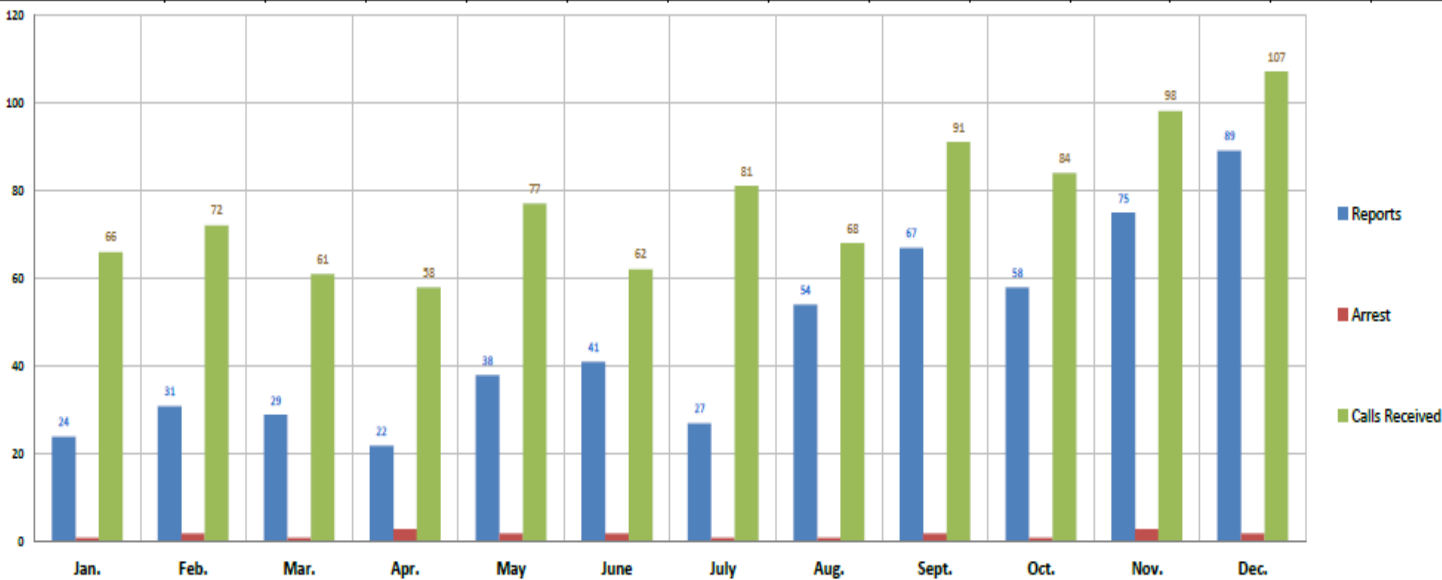
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	19	28	35	39	23	28	16	22	47	0	0	0	257
Arrest	2	1	3	2	1	2	1	1	3	0	0	0	16
Calls Received	81	104	88	97	71	84	68	81	75	0	0	0	749



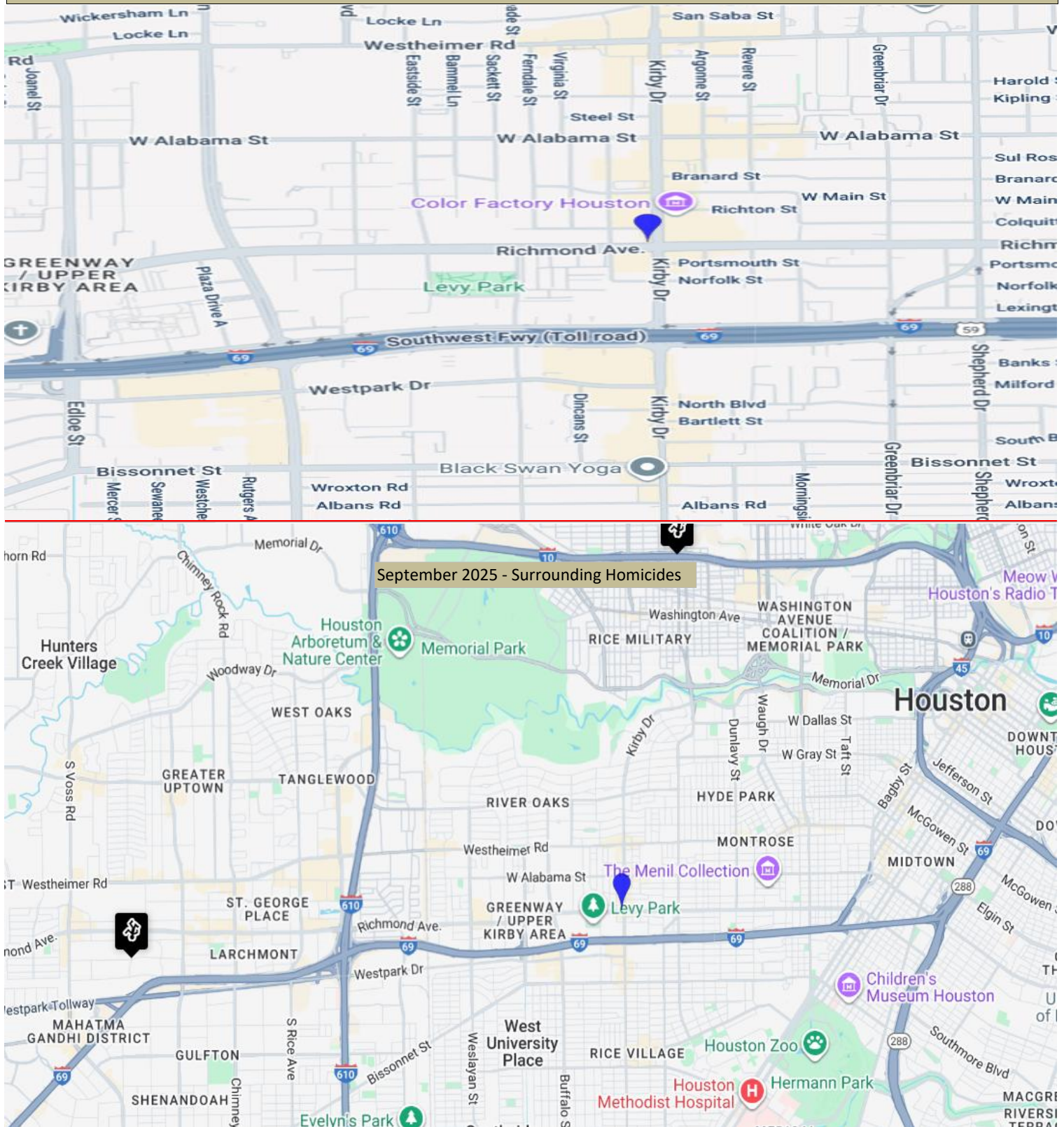
Prior Year Activity Comparison

Upper Kirby Management Patrol - 2024 Summary

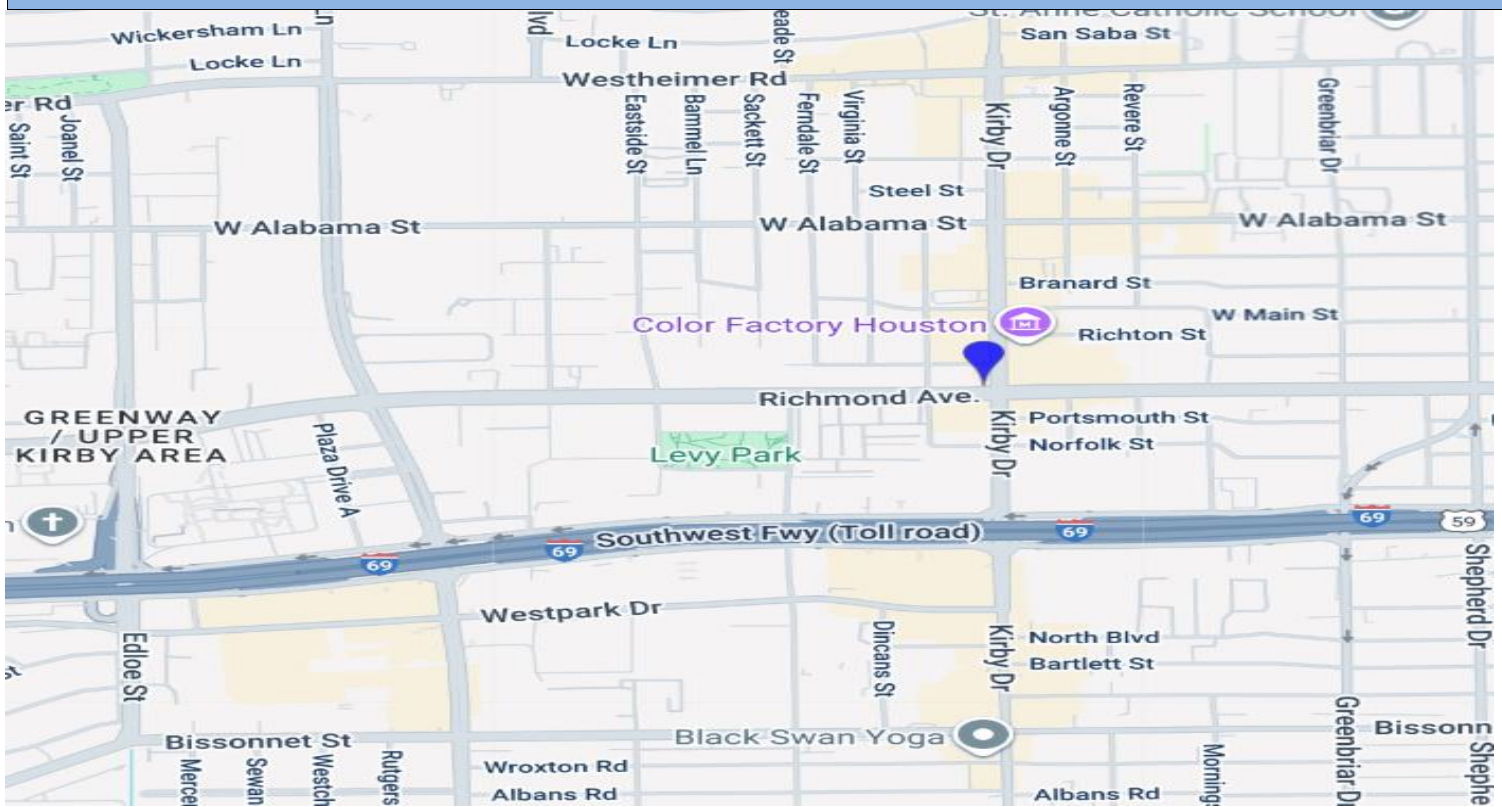
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
Reports	24	31	29	22	38	41	27	54	67	58	75	89	556
Arrest	1	2	1	3	2	2	1	1	2	1	3	2	21
Calls Received	66	72	61	58	77	62	81	68	91	84	98	107	925



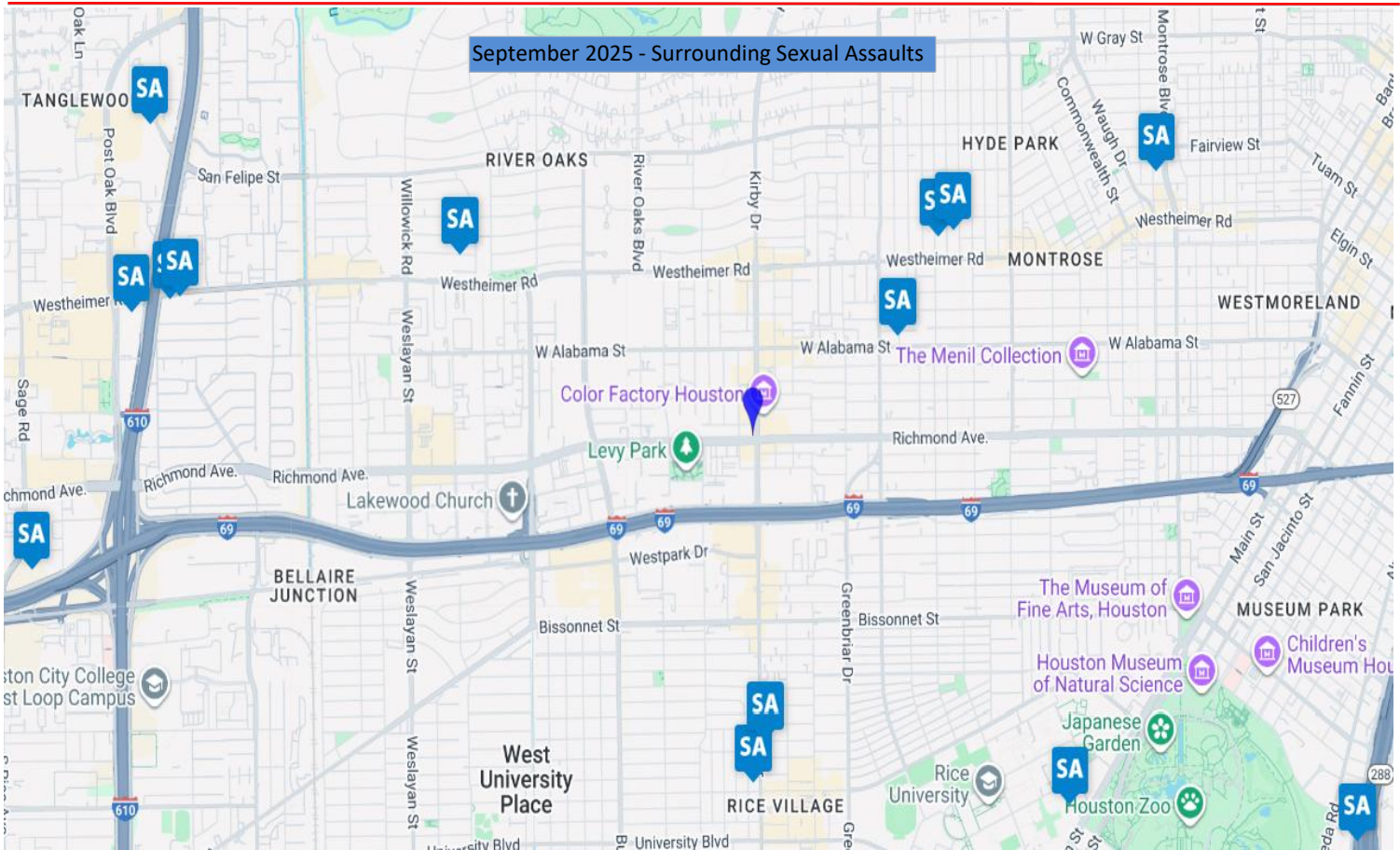
Upper Kirby Crime Map: Homicides (0)



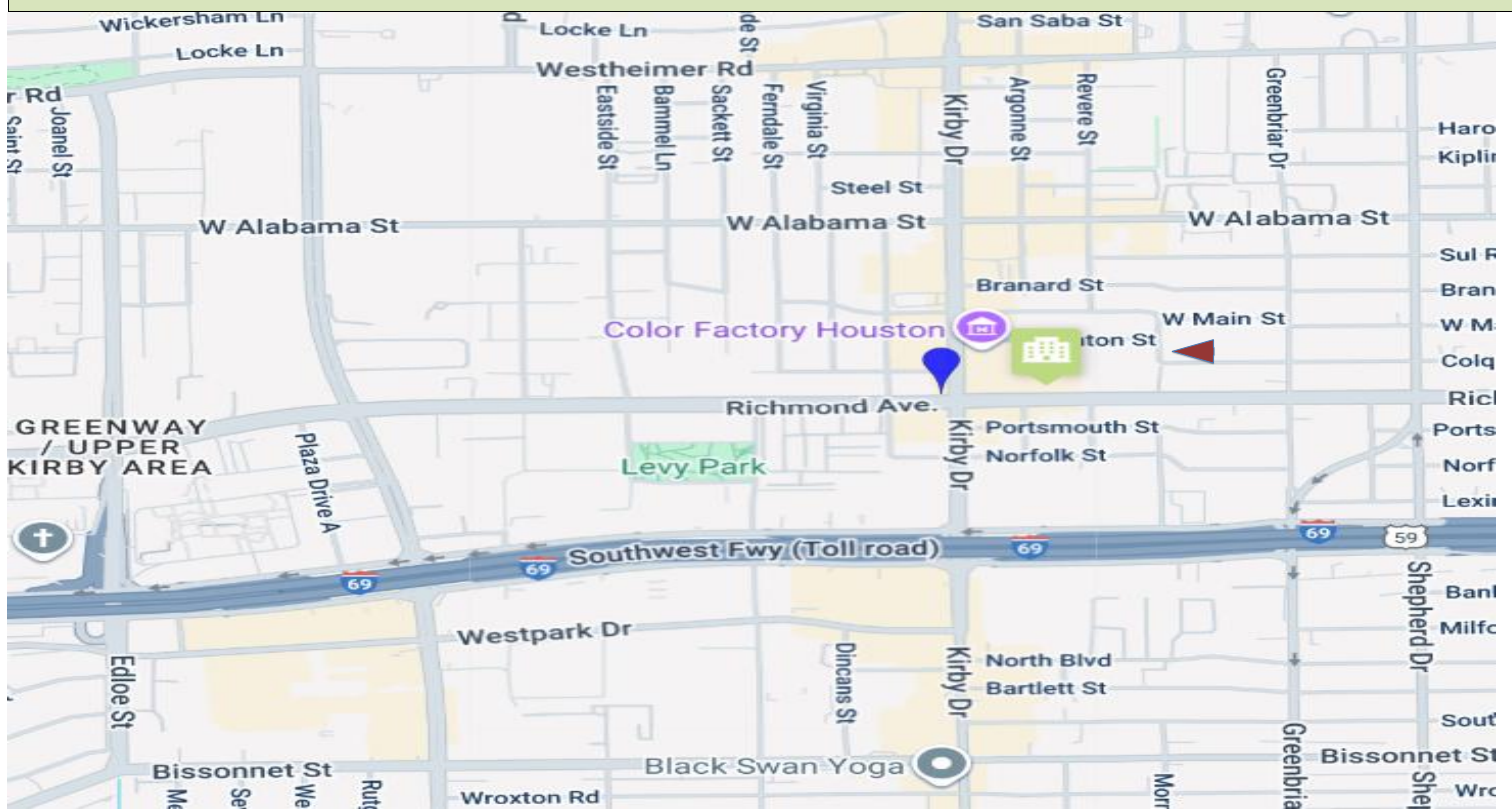
Upper Kirby Crime Map: Sexual Assaults (0)



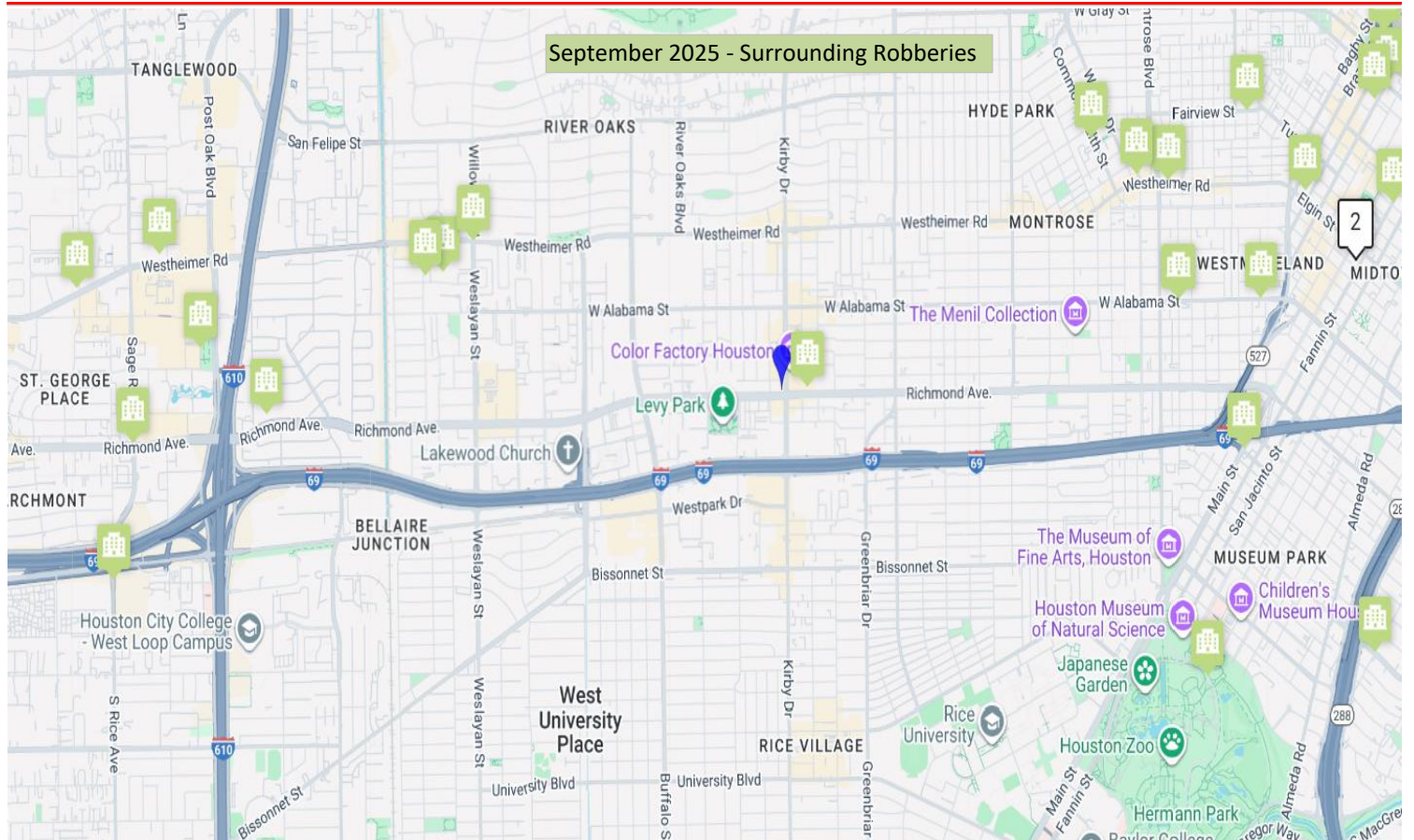
September 2025 - Surrounding Sexual Assaults



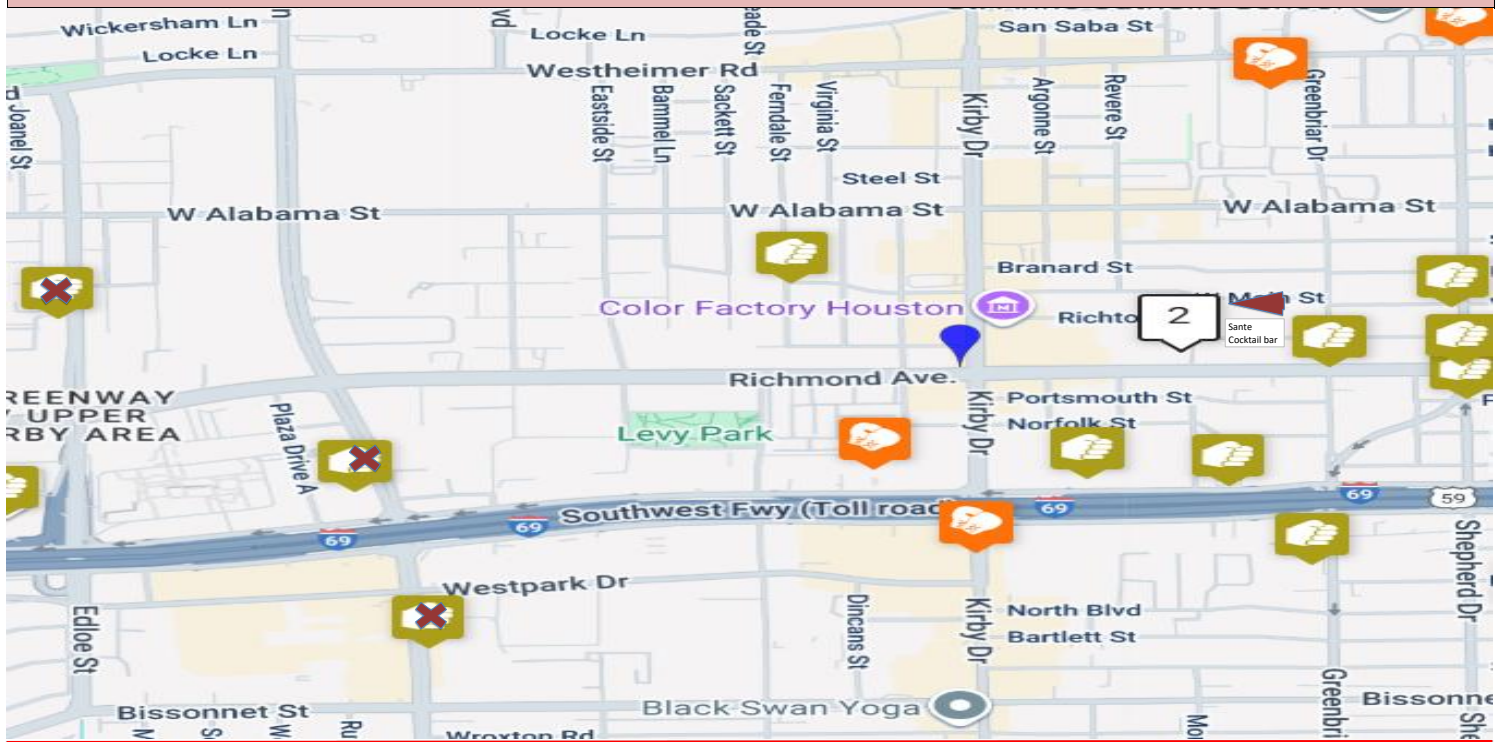
Upper Kirby Crime Map: Robberies (0)



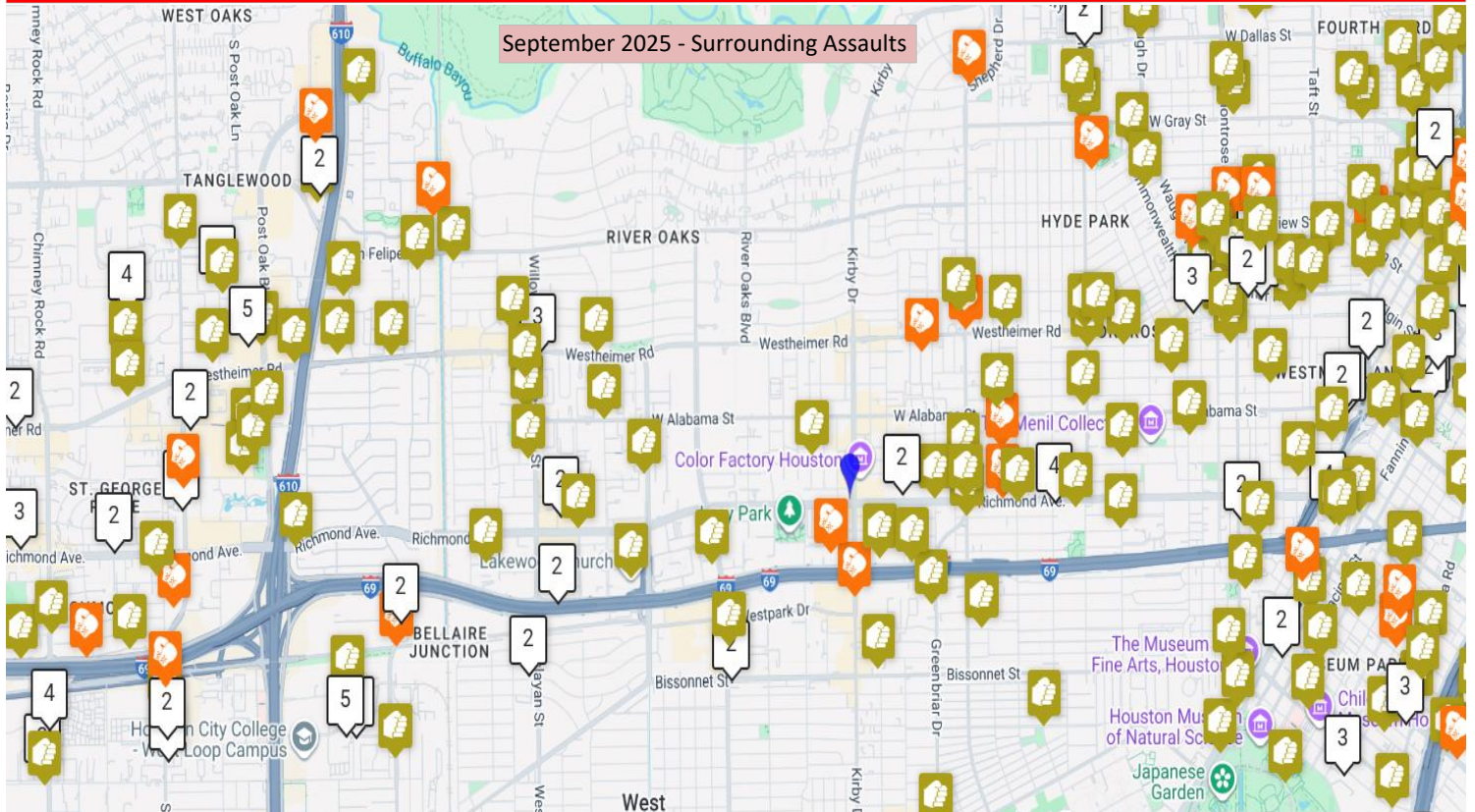
September 2025 - Surrounding Robberies



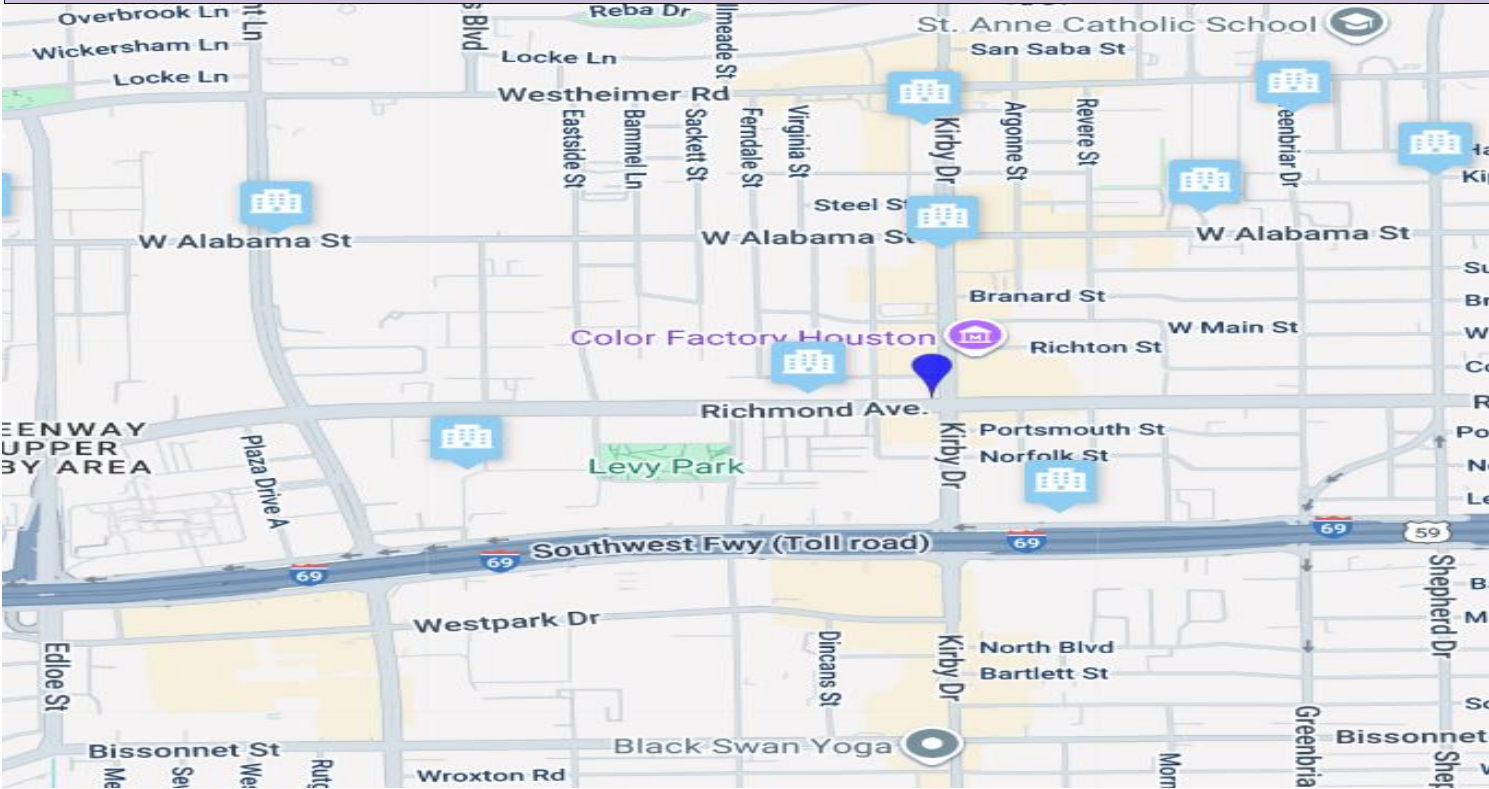
Upper Kirby Crime Map: Assaults (14)



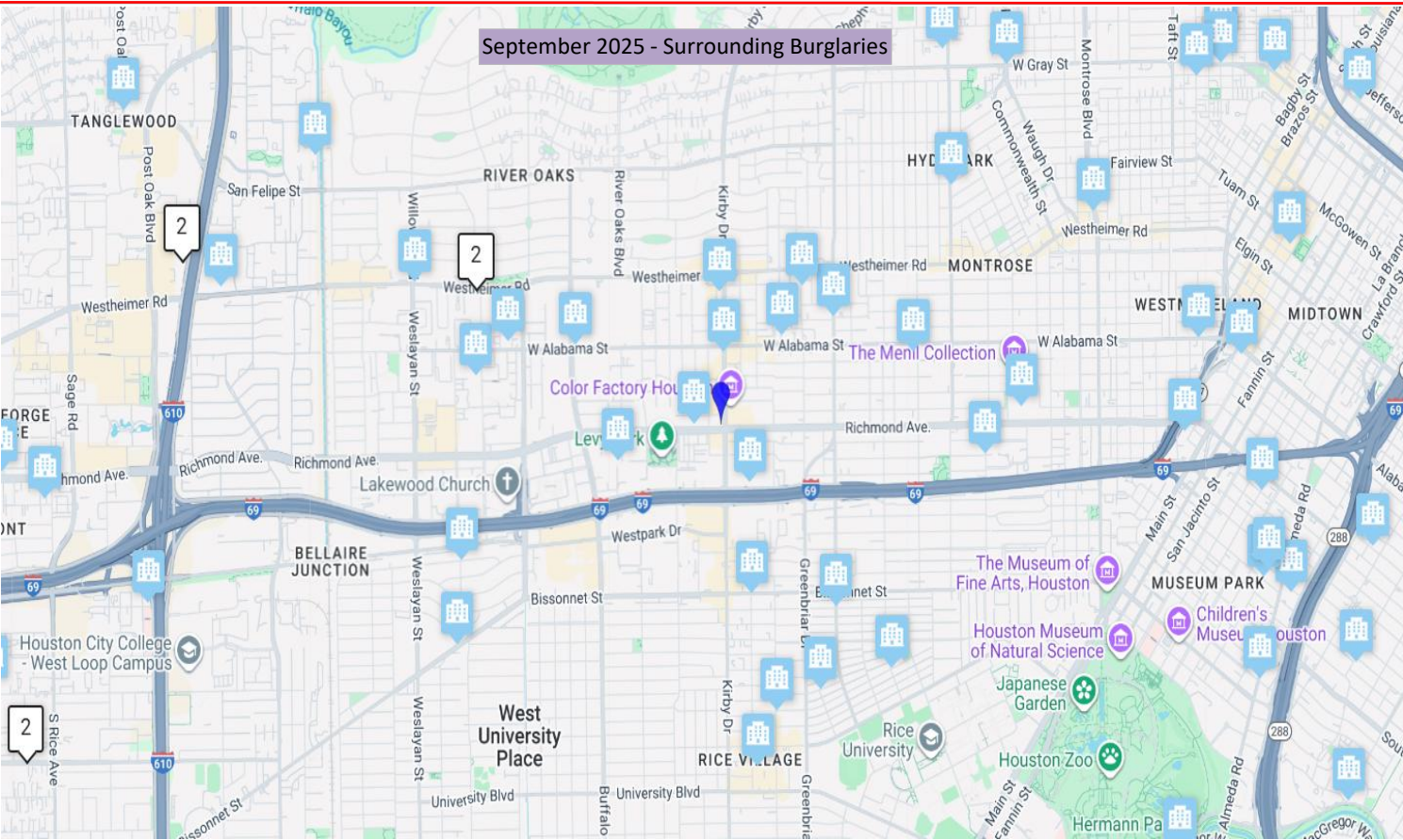
September 2025 - Surrounding Assaults



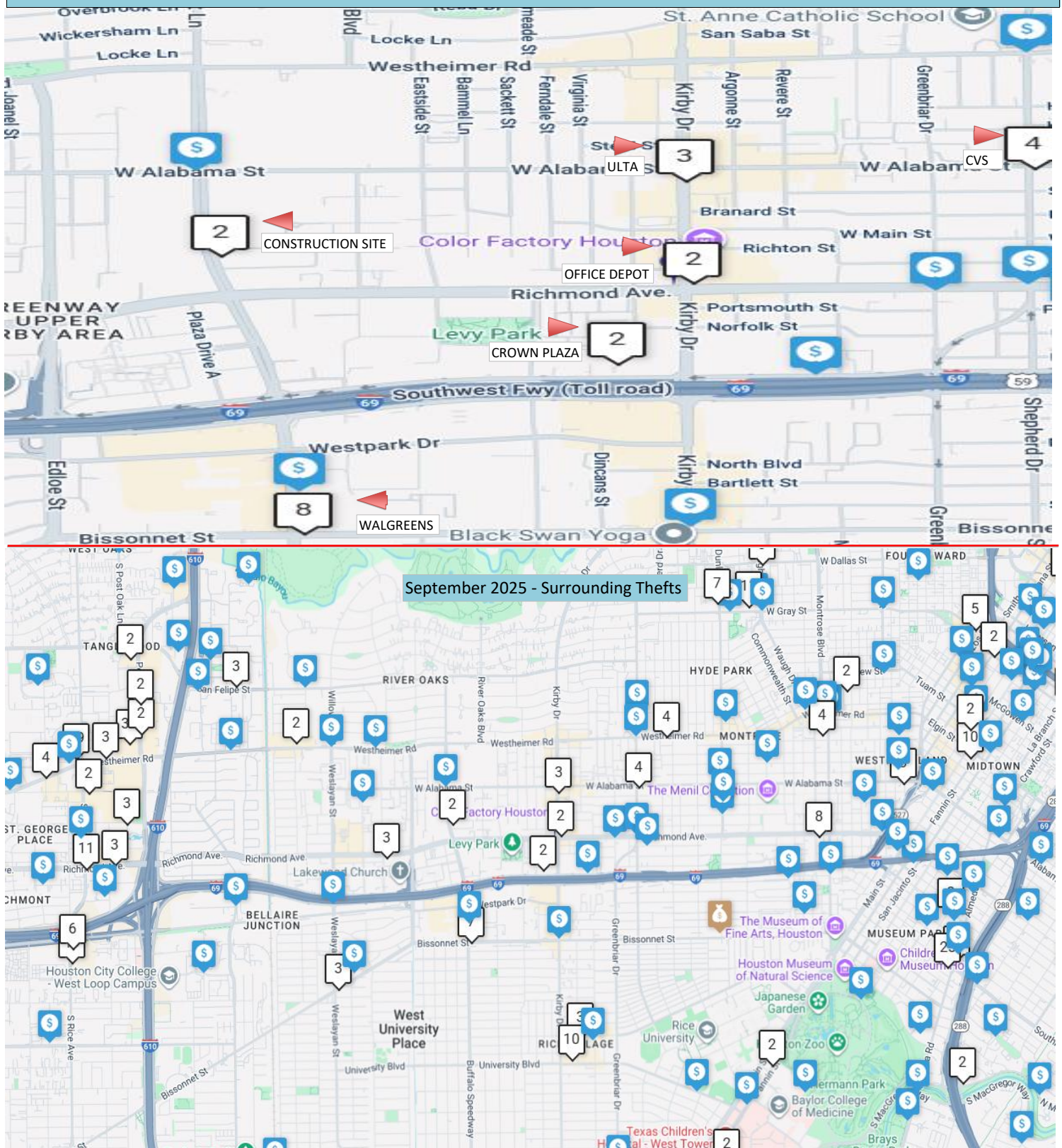
Upper Kirby Crime Map: Commercial / Residential Burglaries (9)



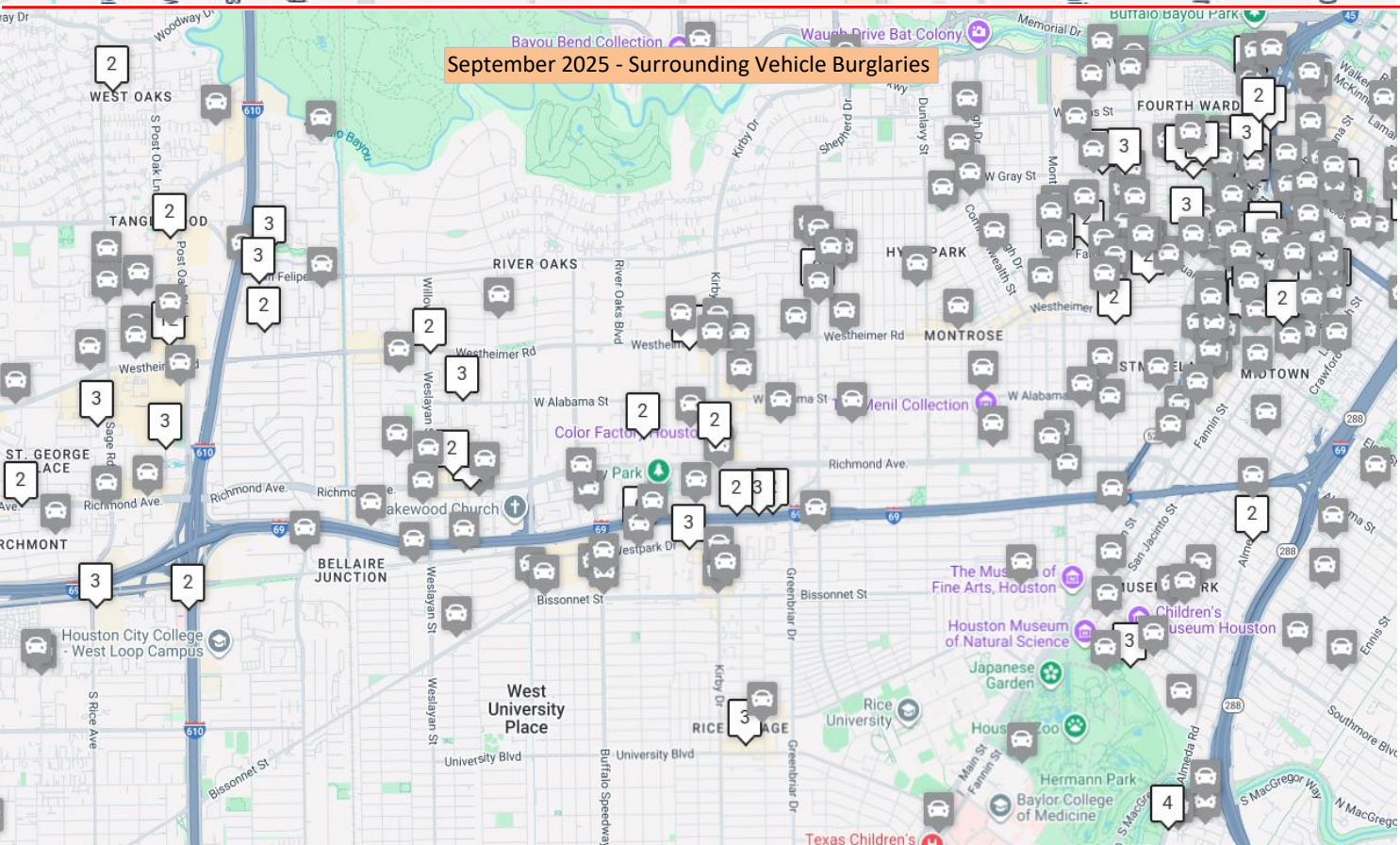
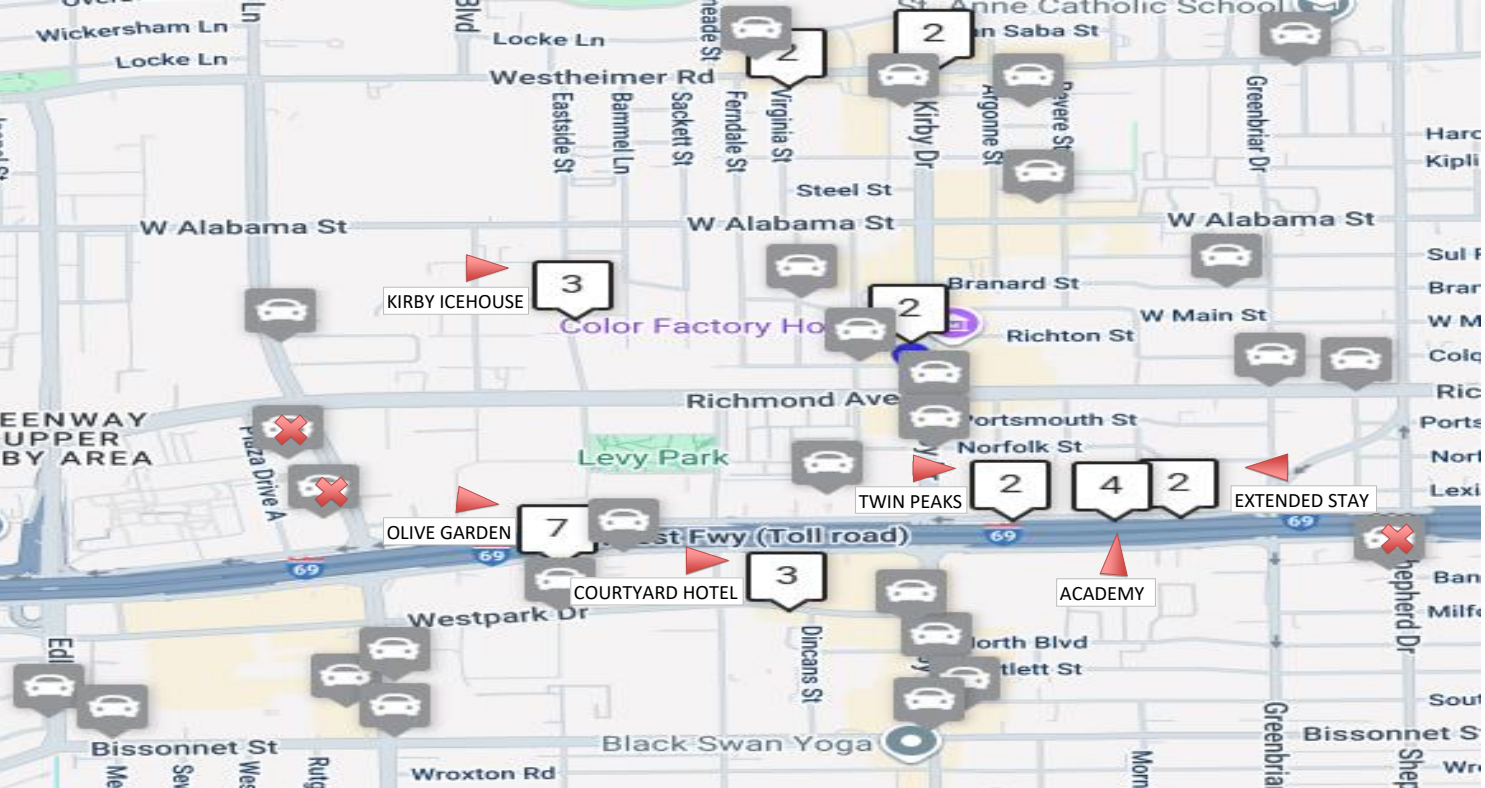
September 2025 - Surrounding Burglaries



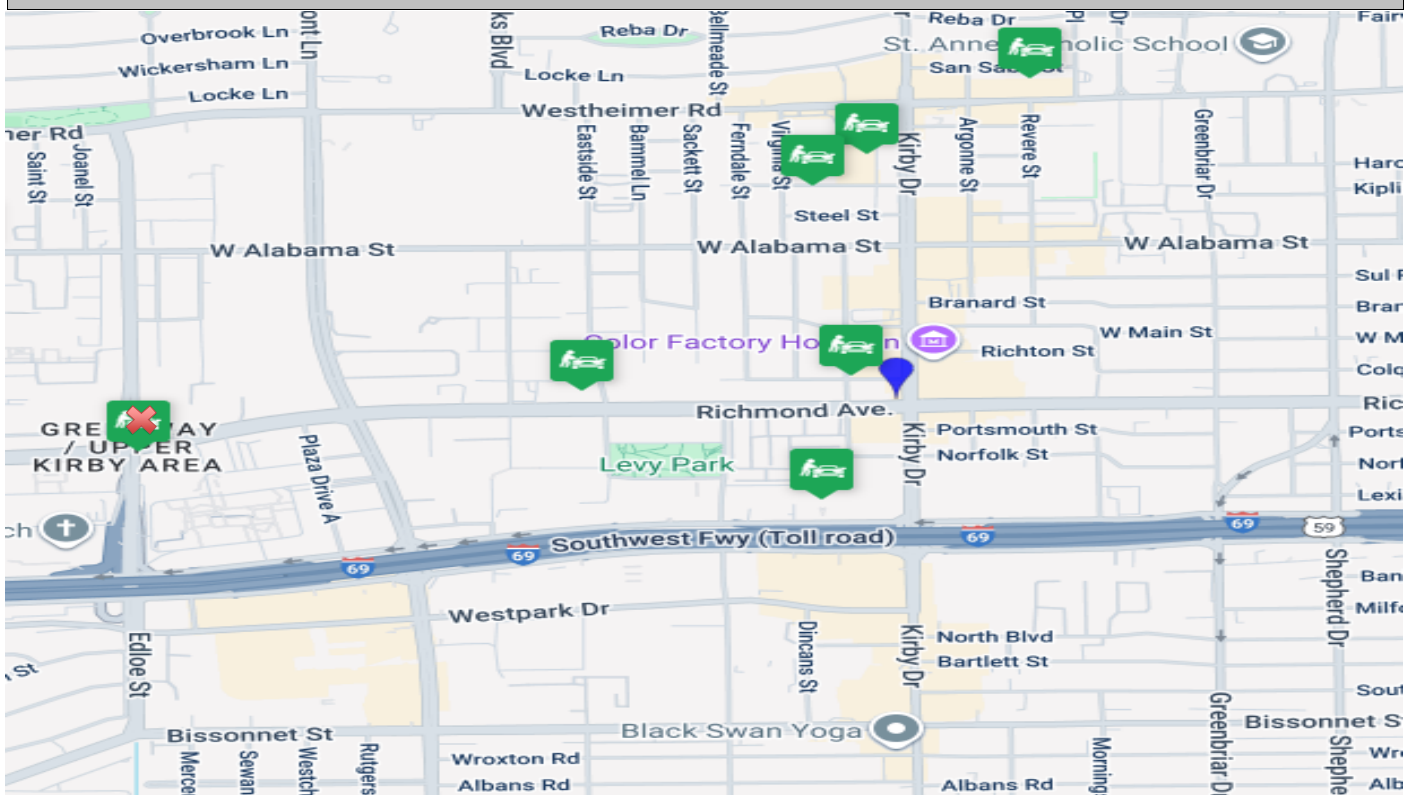
Upper Kirby Crime Map: Thefts (28)



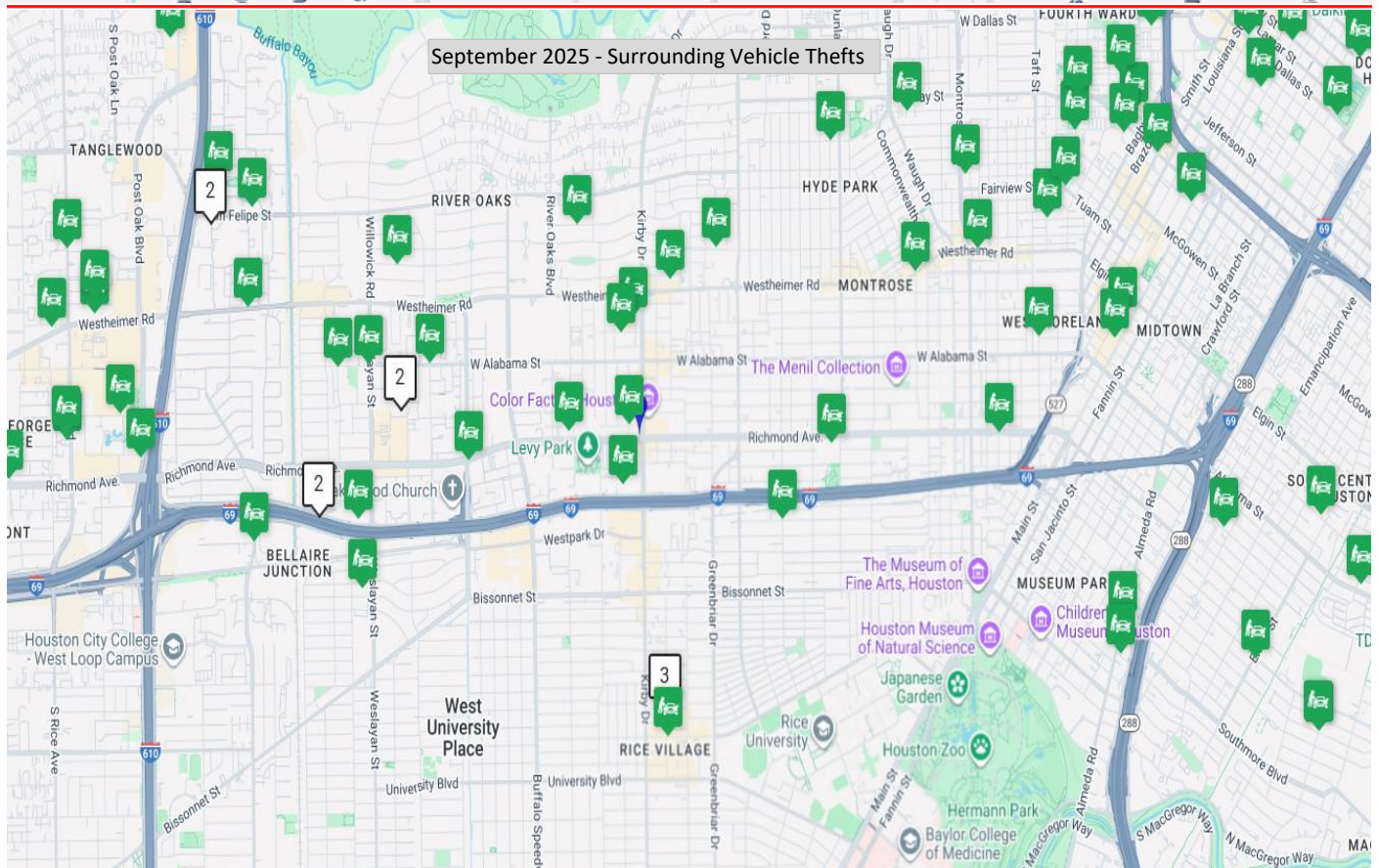
Upper Kirby Crime Map: Motor Vehicle Burglaries (51)



Upper Kirby Crime Map: Auto Theft (6)



September 2025 - Surrounding Vehicle Thefts





1750 W 43rd Street | Houston, Texas 77018 | Voice: 713-688-3855

HARRIS COUNTY IMPROVEMENT DISTRICT #3 TAX REPORT SUMMARY 9/30/2025

	Current:	\$	46,537.73	
	Prior Years:	\$	53,093.13	
Total Receivables as of	9/30/2025	\$	99,630.86	pg 2

September Receipts \$ 25,289.44 pg 3

September Disbursements \$ 55,866.09 pg 3

CURRENT COLLECTIONS & 4 YEAR HISTORICAL DATA

<u>Year</u>	<u>Collections</u> <u>9/30/2025</u>	<u>Adjustments</u> <u>9/30/2025</u>	<u>Collections</u> <u>9/1/20-9/30/2025</u>	<u>Receivables</u> <u>9/30/2025</u>	<u>Percent</u> <u>Collected</u>
2024	11,473.92	(40,443.60)	5,074,873.73	46,537.73	99.09
2023	13,348.71	(13,648.78)	5,073,296.36	16,537.61	99.68
2022	4.19		4,747,043.17	5,600.21	99.88
2021			4,467,921.25	4,320.02	99.90
2020			4,427,600.55	10,061.40	99.77

Last Year's Collections as of 8/31/2024: 99.34%

CURRENT CERTIFIED VALUES & 4 YEAR HISTORICAL DATA

<u>Year</u>	<u>Debt</u> <u>Rate</u>	<u>M&O</u> <u>Rate</u>	<u>Total</u> <u>Tax Rate</u>	<u>Original</u> <u>Value</u>	<u>Adjustments</u>	<u>Adjusted</u> <u>Value</u>	<u>Levy</u>
2024	0.00371	0.12879	0.13250	3,975,020,438	(109,804,241)	3,865,216,197	5,121,411.46
2023	0.00371	0.13129	0.13500	3,904,886,305	(134,638,923)	3,770,247,382	5,089,833.97
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,742,419)	3,520,476,578	4,752,643.38
2021	0.00437	0.13063	0.13500	3,242,603,904	70,167,408	3,312,771,312	4,472,241.27
2020	0.00420	0.13080	0.13500	3,240,353,904	46,803,099	3,287,157,003	4,437,661.95

\$676,048.78 Estimated Refunds due to Unsettled Lawsuits at HCAD

HARRIS COUNTY IMPROVEMENT DISTRICT #3 **TAX REPORT SUMMARY** **9/30/2025**

Receivable at 8/31/2025	\$	104,677.46	
Uncollectibles	\$	(3,064.15)	
Prior Adjustments:	\$	(31,246.17)	\$ 70,367.14

2025 Tax Levy	\$	-	
Adjustments	\$	-	\$ -

Tax Collections From: 9/1/2025 - 9/30/2025

2024	\$	(28,969.68)
2023	\$	(300.07)
2022	\$	4.19
2016	\$	1.84

(\$ (29,263.72))

TOTAL RECEIVABLE AS OF 9/30/2025	\$	99,630.86
		=====

HARRIS COUNTY IMPROVEMENT DISTRICT #3

TAX REPORT SUMMARY

9/30/2025

	Month of <u>9/30/2025</u>	Fiscal YTD <u>10/1/2024-9/30/2025</u>
Receipts:		
Current/Prior Taxes	(29,263.72)	4,866,981.34
Penalty & Interest	(1,479.48)	7,986.53
Atty's Fee - Delinquent Coll	105.56	2,731.30
Adjustments	31,247.03	362,851.86
Payment Reversals	24,667.26	42,799.69
Rendition Penalty		870.68
Unclaimed Overpayments		10.79
Bank Interest	12.79	5,292.48
Special Inventory Tax		39,667.59
TOTAL RECEIPTS:	\$ 25,289.44	\$ 5,329,192.26
 Disbursements:		
Adjustment Refunds	31,247.03	362,851.86
Payment Reversals	24,667.26	38,903.21
County A/C Fee	(153.76)	3,676.12
Atty's Fee-Delinquent Coll	105.56	2,758.09
TOTAL DISBURSEMENTS:	\$ (55,866.09)	\$ (408,189.28)
 County A/C Fees		
Fiscal Year 7/1/2025 thru 9/30/2025	(148.37)	(\$3,985.69 Estimate)

HARRIS COUNTY IMPROVEMENT DISTRICT #3
TAX REPORT SUMMARY
9/30/2025

CURRENT COLLECTIONS & HISTORICAL DATA						
<u>Year</u>	<u>Collections</u> <u>9/30/2025</u>	<u>Adjustments</u> <u>9/30/2025</u>	<u>Uncollectibles</u> <u>9/30/2025</u>	<u>Collections</u> <u>9/1/02-930/2025</u>	<u>Receivables</u> <u>9/30/2025</u>	<u>Percent</u> <u>Collected</u>
2024	11,473.92	(40,443.60)		5,074,873.73	46,537.73	99.09
2023	13,348.71	(13,648.78)		5,073,296.36	16,537.61	99.68
2022	4.19			4,747,043.17	5,600.21	99.88
2021				4,467,921.25	4,320.02	99.90
2020				4,427,600.55	10,061.40	99.77
2019				4,143,884.75	3,362.48	99.92
2018				3,972,813.15	3,092.05	99.92
2017				3,946,144.96	4,003.89	99.90
2016	1.84			4,094,375.95	2,629.15	99.94
2015				3,562,186.76	2,407.89	99.93
2014				3,185,055.01	781.18	99.98
2013				2,709,337.70	149.56	99.99
2012				2,362,777.87	49.76	99.99
2011				2,212,265.82	50.65	99.99
2010				2,128,342.91	1.39	99.99
2009				2,116,045.06		100.00
2008				2,023,101.50	45.89	99.99
2007				1,551,089.74		100.00
2006				1,295,895.63		100.00
2005				1,234,450.30		100.00
2004				1,183,763.58		100.00
2003				1,176,492.84		100.00
2002			3,064.15	1,137,294.72		100.00
Total				62,751,179.58	99,630.86	99.91

CURRENT CERTIFIED VALUES & HISTORICAL DATA							
<u>Year</u>	<u>Debt</u> <u>Rate</u>	<u>M&O</u> <u>Rate</u>	<u>Total</u> <u>Tax Rate</u>	<u>Original</u> <u>Value</u>	<u>Adjustments</u>	<u>Adjusted</u> <u>Value</u>	<u>Levy</u>
2024	0.00371	0.12879	0.13250	3,975,020,438	(109,804,241)	3,865,216,197	5,121,411.46
2023	0.00371	0.13129	0.13500	3,904,886,305	(134,638,923)	3,770,247,382	5,089,833.97
2022	0.00422	0.13078	0.13500	3,586,218,997	(65,742,419)	3,520,476,578	4,752,643.38
2021	0.00437	0.13063	0.13500	3,242,603,904	70,167,408	3,312,771,312	4,472,241.27
2020	0.00420	0.13080	0.13500	3,240,353,904	46,803,099	3,287,157,003	4,437,661.95
2019	0.00452	0.13048	0.13500	3,093,900,525	(21,865,535)	3,072,034,990	4,147,247.23
2018	0.00487	0.13013	0.13500	2,927,322,899	17,792,067	2,945,114,966	3,975,905.20
2017	0.00520	0.13480	0.14000	2,845,085,595	(23,550,701)	2,821,534,894	3,950,148.85
2016	0.00595	0.14405	0.15000	2,726,739,654	4,597,080	2,731,336,734	4,097,005.10
2015	0.00595	0.14405	0.15000	2,295,134,148	81,262,286	2,376,396,434	3,564,594.65
2014	0.00680	0.14320	0.15000	2,053,214,277	70,676,514	2,123,890,791	3,185,836.19
2013	0.00830	0.14170	0.15000	1,706,691,342	99,633,498	1,806,324,840	2,709,487.26
2012	0.00000	0.15000	0.15000	1,484,341,651	90,876,767	1,575,218,418	2,362,827.63
2011	0.00000	0.15000	0.15000	1,324,980,717	149,896,928	1,474,877,645	2,212,316.47
2010	0.00000	0.15000	0.15000	1,288,477,923	130,418,278	1,418,896,201	2,128,344.30
2009	0.00000	0.15000	0.15000	1,364,387,616	46,309,090	1,410,696,706	2,116,045.06
2008	0.00000	0.15000	0.15000	1,285,194,487	63,570,437	1,348,764,924	2,023,147.39
2007	0.00000	0.13500	0.13500	1,092,363,596	56,591,767	1,148,955,363	1,551,089.74
2006	0.00000	0.12600	0.12600	910,413,139	118,075,454	1,028,488,593	1,295,895.63
2005	0.00000	0.12959	0.12959	729,921,507	222,659,945	952,581,452	1,234,450.30
2004	0.00000	0.12959	0.12959	913,468,310		913,468,310	1,183,763.58
2003	0.00000	0.13000	0.13000	904,994,490		904,994,490	1,176,492.84
2002	0.00000	0.13000	0.13000	877,199,130		877,199,130	1,140,358.87
Total							62,807,336.86

Harris County Improvement District No. 3
2025 Tax Rate Analysis

Total Value from Lina @ Utility Tax Service, LLC. \$ 3,769,000,312
(Final Report Dated September 9, 2025)

Total Tax Levy Per \$100 Taxable Valuation \$ 4,993,925

Debt Service \$ 148,765

Debt Expenses 500

Total Debt Service Payments \$ 149,265

M&O Levy \$ 4,844,660

Debt Service Tax Rate	\$	0.00371
M&O Rate		0.12879
	\$	0.13250

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Harris County Improvement District No. 3, do hereby certify as follows:

1. The Board of Directors of the Harris County Improvement District No. 3 convened in Regular Session on the 21st day of October, 2025, at a meeting place inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**GO 2025-8
ORDER LEVYING TAXES FOR 2025**

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

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

SIGNED AND SEALED the 21st day of October, 2025.

Secretary/Treasurer

(SEAL)

**GO 2025-8
ORDER LEVYING TAXES FOR 2024**

WHEREAS, Harris County Improvement District No. 3 (the "District") has bonds outstanding which are payable from ad valorem taxes; and

WHEREAS, the resolution authorizing such bonds requires a general levy of taxes for the purpose of providing for interest and principal payments on such bonds, while any part of said principal or interest remains outstanding and unpaid; and

WHEREAS, the voters of the District have authorized the levy of a tax to pay for maintenance and operation expenses at elections held for such purpose; and

WHEREAS, it is necessary for the Board of Directors to fix a specific rate of tax to be levied for the tax year 2025, based on the District's tax rolls for 2025, which have been prepared by the Harris Central Appraisal District, Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3 THAT:

Section 1: There is hereby levied an ad valorem tax of \$0.1325 on each \$100 of taxable property within the District for the tax year of 2025.

Section 2: All taxes collected pursuant to this Order, after paying reasonable costs of levying, assessing, and collecting same, shall be deposited as follows: \$0.00371 of each \$0.1325 collected pursuant to this levy shall be deposited into the District's Debt Service Fund and shall be used solely for the purpose of paying interest on and principal of the District's outstanding bonds; and \$0.12879 of each \$0.1325 so collected shall be deposited into the District's Operating Fund and shall be used for the purposes for which such tax was authorized

Section 3. The taxes levied hereby shall be delinquent if not paid by January 31, 2026.

Section 4. This order shall be effective from and after its adoption.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED the 21st day of October, 2025.

ATTEST:

President, Board of Directors

Secretary/Treasurer, Board of Directors

(SEAL)

DRAFT

AMENDMENT NUMBER EIGHTEEN
TO INFORMATION FORM
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

We, the undersigned, constituting a majority of the members of the Board of Directors of Harris County Improvement District No. 3 (the "District"), do hereby make, execute, and affirm this Information Form in compliance with Section 49.455 of the Texas Water Code and Title 30, Section 293.92, of the Texas Administrative Code. We do hereby certify as follows:

The most recent rate of taxes levied by the District on property within the District is \$0.1325 per \$100 of assessed valuation (\$0.00371 of which is for debt service, and \$0.12879 of which is for maintenance and operations purposes), based on 100% of market value.

The form of Notice to Purchasers required by Section 49.452 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District is attached hereto as Exhibit "A".

[EXECUTION PAGE FOLLOWS]

WITNESS OUR HANDS this 21st day of October, 2025.

Patricia Ann Chesnick, President

Cort King, Vice President

Andrew Rice, Secretary/Treasurer

Chris Gibbs, Director

Barrett Webster, Director

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 21st day of October, 2025, by Patricia Ann Chesnick, Cort King, Andrew Rice, Chris Gibbs, and Barrett Webster, known to me to be the persons and officers whose names are subscribed to the foregoing instrument and affirmed and acknowledged to me that said instrument is current and accurate to the best of their knowledge and belief, and that they executed the same for the purpose and in the capacity therein stated.

Notary Public, State of Texas

(NOTARY SEAL)

Exhibit "A"

NOTICE TO PURCHASER OF SPECIAL TAXING OR ASSESSMENT DISTRICT

The real property that you are about to purchase is located in the Harris County Improvement District No. 3 (the "District") and may be subject to District taxes or assessments. The District may, subject to voter approval, impose taxes and issue bonds. The District may impose an unlimited rate of tax in payment of such bonds.

The current rate of the District property tax is \$0.1325 on each \$100 of assessed valuation.

The District also may impose assessments and issue bonds and impose an assessment in payment of such bonds. As of this date, the District has not imposed an assessment.

The total amount of bonds payable wholly or partly from property taxes, excluding refunding bonds that are separately approved by the voters and excluding any bonds or any portions of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters is:

- \$30,000,000 for road facilities and economic development programs & facilities.

The aggregate initial principal amount of all such bonds issued is:

- \$2,500,000 for road facilities and economic development programs & facilities.

The District is located wholly within the corporate boundaries of the City of Houston. The municipality and the District overlap, but may not provide duplicate services or improvements. Property located in the municipality and the District is subject to taxation by the municipality and the District.

The purpose of the District is to promote economic development and diversification; eliminate unemployment and underemployment; develop and expand transportation and commerce; promote health, safety, and welfare; enhance the economy and vitality of the Upper Kirby area as a community and business center; and expand and improve public transportation and pedestrian facilities and systems, including eliminating traffic congestion, improving traffic control, bettering safety for pedestrians, and restoring, preserving, and enhancing scenic and aesthetic beauty. The cost of District facilities and programs is not included in the purchase price of your property.

Date

Signature of Seller

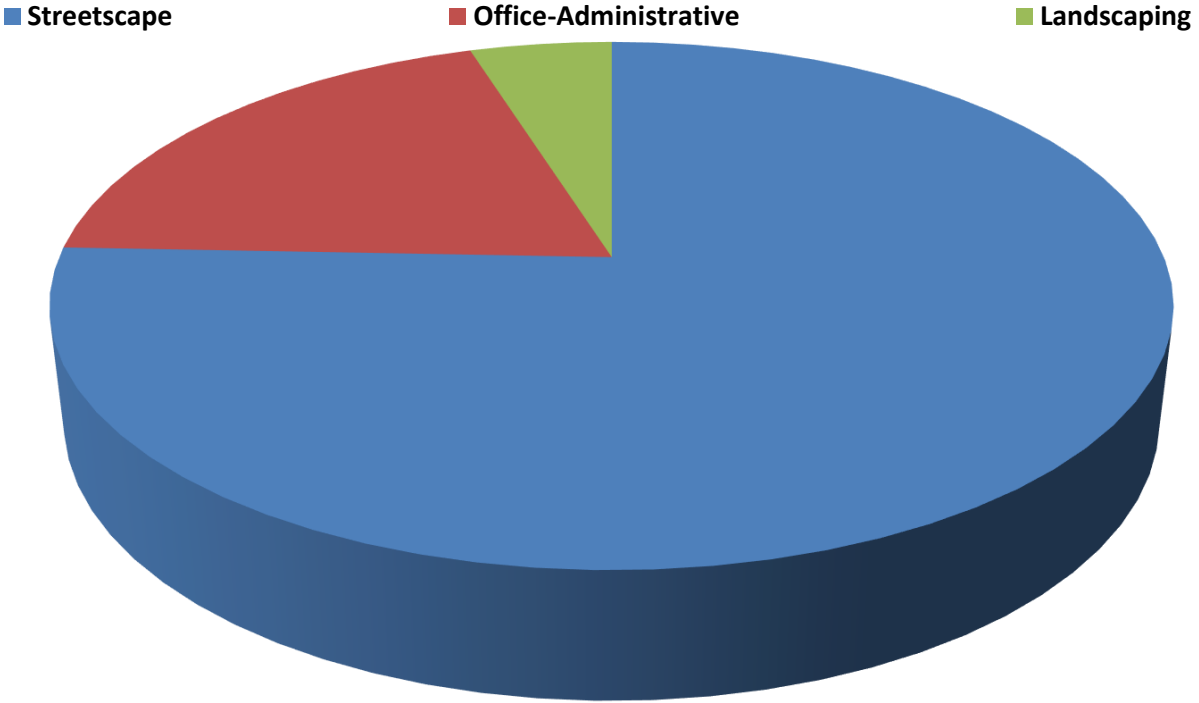
PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ANNUALLY ESTABLISHES TAX RATES. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property or at closing of purchase of the real property.

Date

Signature of Purchaser

Upper Kirby Work Order Summary
September 2025



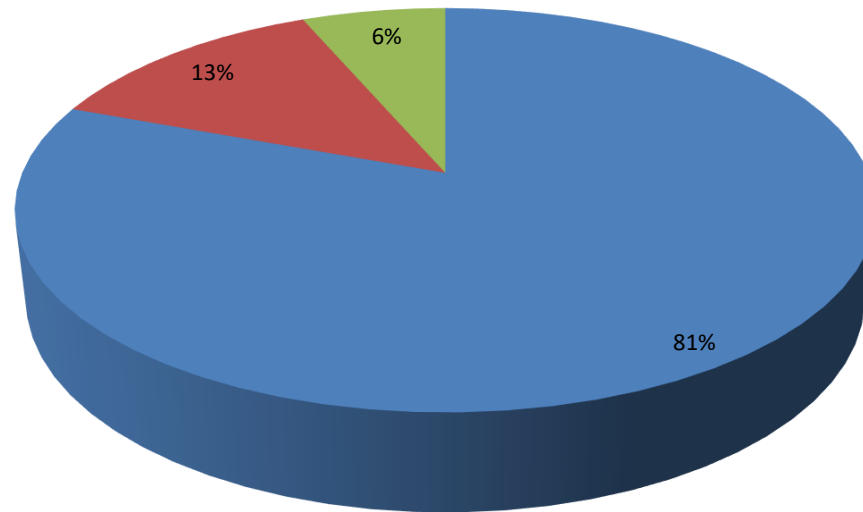
Zone	Labor Hours	Materials	Labor Cost
Streetscape	62.00	\$ -	\$ 1,798.00
Office-Administrative	16.00	\$ -	\$ 464.00
Landscaping	4.00	\$ -	\$ 116.00
Total	82.00	\$ -	\$ 2,378.00

Streetscape Maintenance and Repair

■ Streetscape Repair and Maintenance

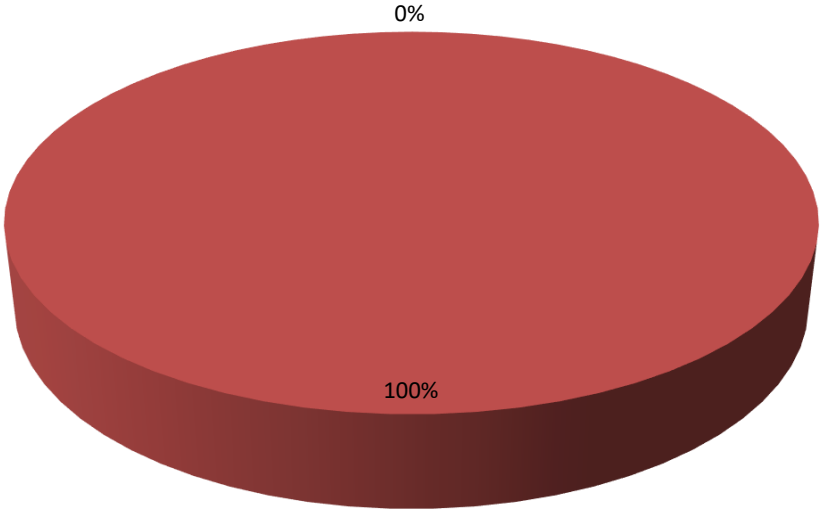
■ Graffiti Abatement

■ Cleanup

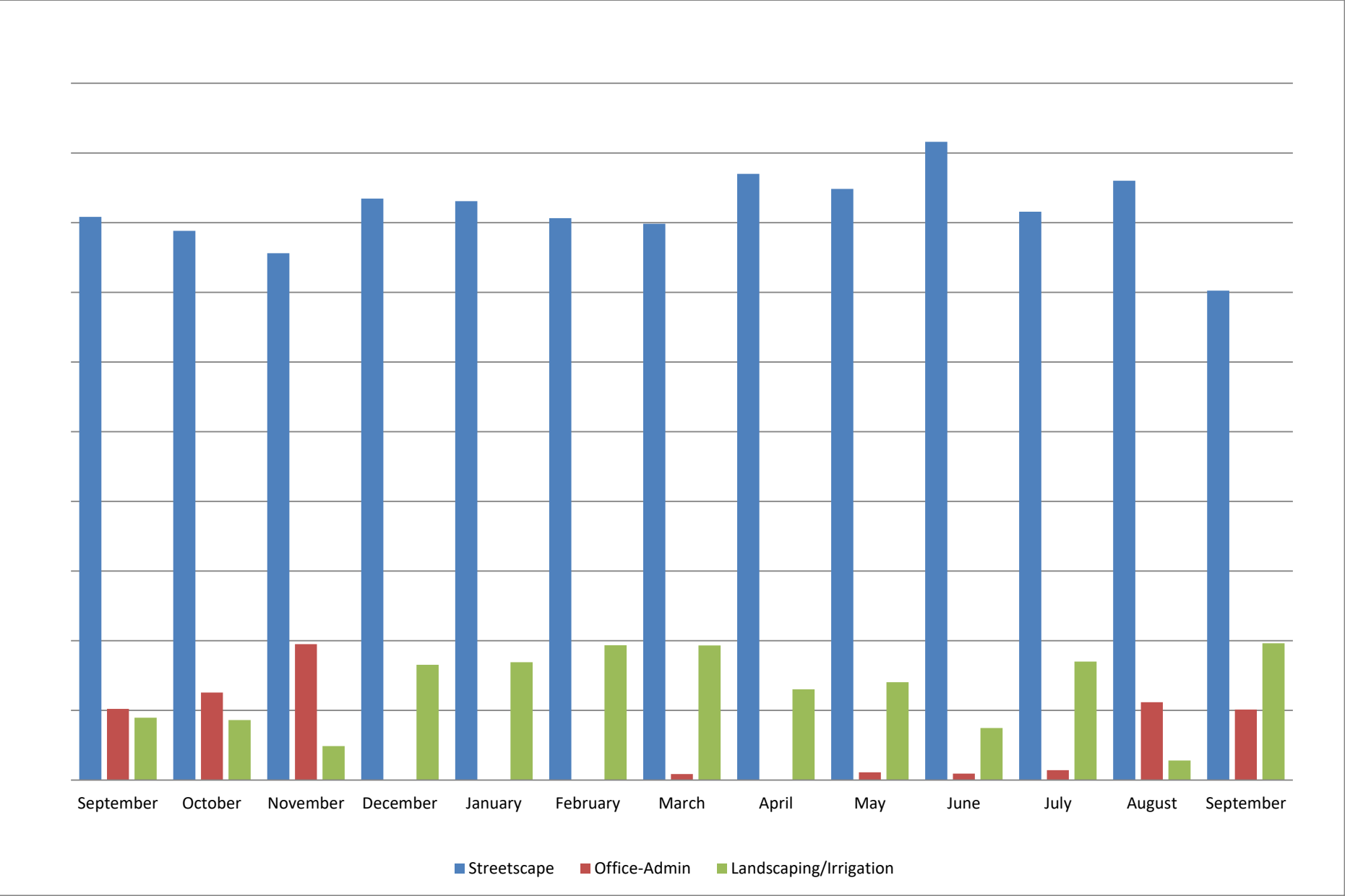


Landscaping and Irrigation

■ Landscaping ■ Irrigation



Monthly Work Order Summary
September 2024 - September 2025



Monthly Work Order Summary
Streetscape Maintenance

Address/ Intersection	Date Created	Asset	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	9/2/25		District Drive	2.00		
UK District	9/2/25		Phone Booths	1.00		
UK District	9/2/25		Company Truck	1.00		
UK District	9/2/25		Office/Admin	2.00		
UK District	9/5/25		District Drive	2.00		
UK District	9/5/25		Litter/Trash	1.00		
UK District	9/5/25		Signage	1.00		
UK District	9/6/25		District Drive	1.00		
UK District	9/6/25		Graffiti	1.00		
UK District	9/6/25		Litter/Trash	1.00		
UK District	9/7/25		District Drive	2.00		
UK District	9/7/25		Electrical	1.00		
UK District	9/8/25		District Drive	2.00		
UK District	9/8/25		Graffiti	1.00		
UK District	9/8/25		Company Truck	1.00		
UK District	9/9/25		District Drive	2.00		
UK District	9/9/25		Graffiti	1.00		
UK District	9/9/25		Phone Booths	2.00		
UK District	9/13/25		District Drive	2.00		
UK District	9/13/25		Litter/Trash	1.00		
UK District	9/13/25		Signage	1.00		
UK District	9/13/25		Company Truck	1.00		
UK District	9/13/25		Office/Admin	1.00		
UK District	9/14/25		District Drive	2.00		
UK District	9/15/25		District Drive	2.00		
UK District	9/15/25		Graffiti	1.00		
UK District	9/15/25		Company Truck	1.00		
UK District	9/16/25		District Drive	2.00		
UK District	9/16/25		Graffiti	1.00		
UK District	9/16/25		Signage	1.00		
UK District	9/16/25		Street Repairs	1.00		
UK District	9/19/25		District Drive	2.00		
UK District	9/19/25		Street Repairs	1.00		
UK District	9/19/25		Office/Admin	1.00		
UK District	9/20/25		District Drive	1.00		
UK District	9/20/25		Graffiti	1.00		
UK District	9/20/25		Street Repairs	1.00		
UK District	9/20/25		Company Truck	1.00		
UK District	9/21/25		District Drive	1.00		
UK District	9/21/25		Signage	1.00		
UK District	9/22/25		District Drive	2.00		
UK District	9/22/25		Street Repairs	1.00		
UK District	9/22/25		Company Truck	1.00		
UK District	9/22/25		Office/Admin	1.00		
UK District	9/23/25		District Drive	2.00		
UK District	9/23/25		Graffiti	1.00		
UK District	9/23/25		Street Repairs	1.00		
UK District	9/23/25		Office/Admin	1.00		
UK District	9/27/25		District Drive	2.00		

Monthly Work Order Summary
Streetscape Maintenance

UK District	9/27/25	Litter/Trash	1.00	
UK District	9/27/25	Company Truck	1.00	
UK District	9/28/25	District Drive	2.00	
UK District	9/28/25	Graffiti	1.00	
UK District	9/29/25	District Drive	2.00	
UK District	9/29/25	Signage	1.00	
UK District	9/29/25	Company Truck	1.00	
UK District	9/29/25	Office/Admin	1.00	
UK District	9/30/25	District Drive	2.00	
UK District	9/30/25	Street Repairs	1.00	
UK District	9/30/25	Office/Admin	1.00	
		Sum:	78.00	0.00

Monthly Work Order Summary
Landscape and Irrigation

Address/ Intersectio	Date Created	Asset	Work Description	Total Labor Hours	Total Spot Purchase Cost	Notes
UK District	9/14/25		Irrigation	1.00		
UK District	9/19/25		Irrigation	1.00		
UK District	9/20/25		Irrigation	1.00		
UK District	9/28/25		Irrigation	1.00		
			Sum:	4.00	0.00	

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

*Mike M. McCall
(retired)
Debbie Gibson
(retired)*

October 21, 2025

Board of Directors
Harris County Improvement
District No. 3
Harris County, Texas

We are pleased to confirm our understanding of the services we are to provide Harris County Improvement District No. 3 (the “District”).

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended October 31, 2025. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis, and
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the District’s financial statements. The document we submit to you will include various supplementary schedules as required by the Texas Commission on Environmental Quality (the “Commission”) as published in the *Water District Financial Management Guide*. This supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked “unaudited”, on which we will express no opinion.

Audit Scope and Objectives (Continued)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP); and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. If we determine it is necessary, we may request written representations from your attorneys as part of the engagement.

As part of our audit planning, we have identified capital assets, long-term debt, management override of controls, and improper revenue recognition as audit areas with significant risks of material misstatement. We will design and perform audit procedures whose nature, timing and extent are responsive to the assessed risks of material misstatement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will prepare the financial statements and the appropriate capital asset schedules including calculation of depreciation on the capital assets in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

Responsibilities of Management for the Financial Statements (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, consultants, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You are responsible for the preparation of the supplementary information in conformity with the Commission's requirements. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the Commission's requirements; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the Commission's requirements; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for our preparation of the financial statements and our preparation of the capital asset schedule, including calculation of depreciation on the capital assets; oversee the services by designating the bookkeeper, who has the suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees and Other

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule. We will also comply with the Rules of Professional Conduct of the Texas State Board of Public Accountancy and retain our records for five years.

We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. We estimate the fees for the audit of the District's financial statements and for the other services to be provided for the year ended October 31, 2025, will range between \$15,000 and \$17,500.

Engagement Administration, Fees and Other (Continued)

The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Not included in the fees above are out-of-pocket costs such as printing, postage, and other charges incidental to the completion of our audit. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement. The District will be obligated to compensate us for our time expended through the date of withdrawal or termination.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements, which will also address the supplementary information required by the Commission in accordance with *AU-C 725, Supplementary Information in Relation to the Financial Statements as a Whole*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

GENERAL TERMS AND CONDITIONS

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written documentation from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

The agreement may be terminated by either party, with or without cause, upon 30 days written notice.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Fossil Fuels Boycott Verification

As required by 2276.002, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

Firearms Discrimination Verification

As required by Section 2274.002, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, as amended.

Israel Boycott Verification

As required by Chapter 2271, Texas Government Code, as amended, McCall Gibson Swedlund Barfoot Ellis PLLC hereby verifies that McCall Gibson Swedlund Barfoot Ellis PLLC, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. As used in the foregoing verification, the term "boycott Israel" has the meaning assigned to such term in Section 808.001, Texas Government Code, as amended.

Anti-Terrorism Representation

Pursuant to Chapter 2252, Texas Government Code, McCall Gibson Swedlund Barfoot Ellis PLLC represents and certifies that, at the time of execution of this letter neither McCall Gibson Swedlund Barfoot Ellis PLLC, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code.

We appreciate the confidence you have placed in our firm and we look forward to serving the District again this coming year.

Sincerely,

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

This letter correctly sets forth the understanding of the District.

_____	_____	_____
Signature	Title	Date

Engagement Letter

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Combined Balance Sheet -
Governmental Fund Type and Account Group
September 30, 2025

	Governmental Fund Type			Account Group	
	General Fund	Debt Service Fund	Capital Proj. Fund	General Fixed Assets	Totals
<u>Assets</u>					
Cash	\$ 2,462,386				\$ 2,462,386
Texpool	9,039,213	184,100	9,606,967		18,830,279
Accounts Receivable - Other	299,503				299,503
Accounts Rec. - Security Deposi	16,025				16,025
Other Current Assets	6,806				6,806
				-	-
Total Assets	\$ 11,823,933	\$ 184,100	\$ 9,606,967	\$ -	\$ 21,615,000
<u>Liabilities and Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 104,830				\$ 104,830
Total Liabilities	104,830	-	-	-	104,830
<u>Equity</u>					
Investment in Gen Fixed Assets				-	-
Restricted for Debt Service		184,100			184,100
Restricted for Capital Projects			9,606,967		9,606,967
Fund Balance:					
Assigned	11,719,104			-	11,719,104
Total Equity	11,719,104	184,100	9,606,967	-	21,510,170
Total Liabilities and Equity	\$ 11,823,933	\$ 184,100	\$ 9,606,967	\$ -	\$ 21,615,000

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and
Changes in Fund Balance
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
GENERAL OPERATING FUND				
<u>Revenues</u>				
Property Taxes	\$ 24,340	\$ 4,933,774	\$ 4,724,818	104.4%
Contract Patrol	1,512	13,934	16,000	87.1%
Interest	31,575	316,554	85,000	372.4%
Total Revenues	57,427	5,264,262	4,825,818	109.1%
<u>Expenditures</u>				
Security & Public Safety	45,668	537,133	658,072	81.6%
Planning & Urban Design	90,978	1,154,447	5,029,890	23.0%
Public Relations & Business Development	11,436	425,289	492,794	86.3%
Program Support Services	16,974	419,185	455,471	92.0%
Total Expenditures	165,056	2,536,054	6,636,226	38.2%
<u>Other Funding Sources</u>				
Other Income	-	-	-	
Reserve for Litigated Taxes			260,000	
Unrestricted Contributions to Capital	-	-	2,450,000	
Long Term Debt			146,565	
Total Other Fund Sources	-	-	2,856,565	
Revenues Over (Under) Expenditures	\$ (107,629)	\$ 2,728,208	\$ 1,046,157	
CAPITAL PROJECTS FUND				
<u>Revenue</u>				
Bond Income	-	-	-	
Grant Income	-	-	-	
Interest Income	33,457	376,773	200,000	
Total Revenue	33,457	376,773	200,000	
<u>Other Financing Souces(Uses)</u>				
Bond Fees	-	-	-	
Transfer from GOF		-		
Transfer to DSF	-	-	-	
Revenue Over (Under) Exps - CPF	\$ 33,457	\$ 376,773	\$ 200,000	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Statement of Revenues, Expenditures and
Changes in Fund Balance
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
DEBT SERVICE FUND				
Revenue				
Interest Income	641	7,220	15,000	48.1%
Total Revenue	641	7,220		
Expenditures				
Administrative Fee	-		750	0.0%
Interest - Bond	-	81,465	81,565	99.9%
Principal payments- Bond	-	65,000	65,000	100.0%
Total Debt Service Expenses	-	146,465	147,315	
Other Financing Sources (Uses)				
Bond Proceeds			-	
Transfer to/from CPF	-			
*	-	-	-	-
Revenue Over (Under) Exps - DSF	\$ 641	\$ (139,245)	\$ (147,315)	
Net Change in Consolidated Fund Balances	\$ (73,530.74)	2,965,736		
Consolidated Fund Balances Beginning	\$ 21,624,196	\$ 18,584,929		
Consolidated Fund Balance Ending	\$ 21,550,665	\$ 21,550,665	-	

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Planning and Design
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
<u>Direct Expenditures</u>				
Operations and Maintenance				
Landscape Maintenance				
Contract Maintenance	21,969	234,153	220,000	106.4%
Irrigation Repair/Replacement	4,794	21,005	75,000	28.0%
Plant Replacement	-	-	100,000	0.0%
Landscape Maint - Other	3,713	122,311		
Park Maintenance	15,000	180,000	180,000	100.0%
Phone Booth Maintenance	-	-	5,000	0.0%
Streetscape Repair & Mtn	12,546	227,173	245,000	92.7%
Tree Preservation	-	5,780	40,000	14.5%
US 59 Service Rd Maintenance	3,276	10,908	6,000	181.8%
Utilities - ROW	6,999	48,079	75,000	64.1%
Equipment Purchases	-	-	10,000	0.0%
Planning & Urban Design				
Transportation Consultant	6,202	67,963	160,000	42.5%
Program Management Consultants	-	1,103	20,000	5.5%
Streetscape Planning & Design	-	-	215,000	0.0%
Capital Improvements				
US 59 Improvements	-	12,800	-	#DIV/0!
West Alabama Utility Relocation			3,000,000	0.0%
Eastside Reconstruction	-		-	
West Alabama Reconstruction			1,000,000	0.0%
Total Direct Expenditures	74,498	931,275	5,351,000	17.4%
Allocation of Program Support Services				
	16,479	223,172	403,011	55.4%
Total Expenditures	90,978	1,154,447	5,754,011	20.1%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Public Relations
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
<u>Direct Expenditures</u>				
Public Relations	-	-	10,000	0.0%
Community Outreach			7,500	0.0%
Public Art			20,000	0.0%
Holiday Lighting/Banners	-	276,058	275,000	100.4%
Events	450	450	10,000	4.5%
Total Direct Expenditures	450	276,508	322,500	85.7%
Allocation of Program Support Services	10,986	148,782	268,674	55.4%
Total Expenditures	11,436	425,289	591,174	71.9%

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Program Support Services
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
<u>Direct Expenditures</u>				
Payroll, Taxes and Benefits	31,283	585,301	1,125,194	52.0%
Levy Park Conservancy Payroll	45,732	460,530	994,308	46.3%
Legal - general and meeting	-	40,852	40,000	102.1%
Bond Issue Expenses	-	-	1,000	0.0%
Accounting Fees	15,200	147,572	175,000	84.3%
Audit Fees	-	16,250	26,000	62.5%
Insurance	-	36,063	33,000	109.3%
Bank Fees	534	5,904	6,500	90.8%
Dues & Seminars	556	20,040	18,740	106.9%
Legal Notices	-	1,850	-	0.0%
Office Rent	13,497	101,309	150,000	67.5%
Office Supplies	21	1,188	4,000	29.7%
Other Office	2,098	25,208	35,000	72.0%
Professional Development	-	1,915	3,000	63.8%
Travel	428	4,540	3,000	151.3%
Records Storage	512	1,591	2,000	79.6%
Contract Labor	-	-	2,500	0.0%
Consultant	-	-	5,000	0.0%
Appraisal District Fees	-	36,808	50,000	73.6%
Tax Consultant	-	-	6,000	0.0%
Vehicle	-	896	1,500	59.7%
Capital Outlay	-	-	5,000	0.0%
Total Direct Expenditures	109,862	1,487,817	2,686,742	55.4%
<u>Support Allocations</u>				
TIRZ Reimbursement - Admin	(12,000)	(132,000)	(274,480)	48.1%
Reimbursement Metro	-	-	-	-
UKDF/LPC Reimbursement	(45,732)	(460,530)	(1,064,757)	43.3%
<u>Programs</u>				
Security & Public Safety	(7,690)	(104,147)	(188,072)	55.4%
Planning & Urban Design	(16,479)	(223,172)	(403,011)	55.4%
Public Relations & Business Development	(10,986)	(148,782)	(268,674)	55.4%
Total Expenditures	16,974	419,185	487,748	85.9%

No assurance is provided on these financial statements

Unaudited
Accrual Basis

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3
Schedule of Expenditures
Security and Public Safety
Month and Eleven Months Ended
September 30, 2025

	Month September 2025	Year to Date	2025 Budget	YTD as a % of Budget
<u>Direct Expenditures</u>				
Security Patrol	37,977	432,985	470,000	92.1%
Total Direct Expenditures	37,977	432,985	470,000	92.1%
Allocation of Program Support Services	7,690	104,147	188,072	55.4%
Total Expenditures	45,668	537,133	658,072	81.6%

HARRIS COUNTY IMPROVEMENT DISTRICT No. 3 2023 OPERATIONS AND MAINTENANCE BUDGET DETAIL

								Notes
	2025	2025	2026	2027	2028	2029	2030	
	Budget	Estimate	Budget	Budget	Budget	Budget	Budget	
REVENUE								
Contract Patrol	16,000	13,522	13,500	13,500	13,500	13,500	13,500	
Interest	300,000	344,980	250,000	25,000	25,000	25,000	25,000	
Property Taxes (\$.1325/\$100)	5,117,811	4,909,401	4,943,986	5,092,306	5,245,075	5,402,427	5,402,427	2026 Value includes estimate for litigated taxes per tax consultant's recommendaiton
Disaster Recovery Grants (FEMA)								
Reserve for Litigated Taxes				(190,000)	(190,000)	(190,000)	(190,000)	
Total Standard Revenue	5,433,811	5,267,903	5,207,486	4,940,806	5,093,575	5,250,927	5,250,927	
EXPENDITURES								
Security & Public Safety								
Police Patrol	470,000	471,629	545,000	545,000	561,350	578,191	595,536	2026 includes officer rate adjustment and the addition of three additional 8-hour shifts per week
Constituent Reporting Tool			26,000	22,000	22,000	22,000	22,000	Development and launch of HCID 3 app and web interface for constituent reporting of security and maintenance issues
Total Security & Public Safety	470,000	471,629	571,000	567,000	583,350	600,191	617,536	
Public Relations & Business Development								
PR & Business Development-General	10,000		10,000	10,000	10,000	10,000	10,000	
Community Outreach	7,500	-	7,500	7,500	7,500	7,500	7,500	
Public Art	20,000	-	20,000	20,000	20,000	20,000	20,000	
Events	10,000	2,500	10,000	10,000	10,000	10,000	10,000	
Holiday Lighting	275,000	276,058	280,000	280,000	325,000	325,000	325,000	
Total Public Relations & Business Development	322,500	278,558	327,500	327,500	372,500	372,500	372,500	
Operations and Maintenance								
Landscape Maintenance								
Contract Maintenance	220,000	256,184	260,000	260,000	267,800	275,834	284,109	
Plant Replacement	100,000	118,599	100,000	100,000	100,000	100,000	103,000	
Irrigation Repair/Replacement	75,000	25,930	65,000	66,950	65,000	65,000	66,950	
US 59 Service Road Maintenance	6,000	9,632	10,000	10,000	10,000	10,000	10,300	
Levy Park Maintenance	180,000	180,000	180,000	180,000	180,000	180,000	185,400	
Phone Booth maintenance	5,000	4,213	5,000	5,000	5,000	5,000	5,150	
Utilities - ROW	75,000	53,080	75,000	75,000	75,000	77,250	79,568	
Streetscape Replacement /Repair-ROW Maintenance	245,000	241,859	245,000	245,000	245,000	245,000	252,350	
Equipment Purchases	10,000	10,000	5,000	10,000	10,000	10,000	10,300	
Tree Preservation	40,000	5,780	40,000	40,000	41,200	42,436	43,709	
Total Operations and Maintenance	956,000	905,277	985,000	991,950	999,000	1,010,520	1,040,836	

HARRIS COUNTY IMPROVEMENT DISTRICT No. 3 2023 OPERATIONS AND MAINTENANCE BUDGET DETAIL

Program Support Services								
Harris Co Appraisal Dist Fees	50,000	36,808	50,000	50,000	50,000	50,000	50,000	
Tax Consultant	6,000	5,500	6,000	6,000	6,000	6,000	6,000	
Legal	40,000	43,000	40,000	40,000	40,000	40,000	40,000	
Legal Notices/Public Postings		1,850	2,000	2,000	2,000	2,000	2,000	
Bond Expenses	1,000	878	1,000	1,000	1,000	1,000	1,000	Rate has been increased
Accounting	175,000	161,000	175,000	175,000	175,000	175,000	180,250	
Audit	26,000	16,250	26,000	26,000	26,000	26,000	26,000	
Vehicle Maintenance & expenses	1,500	1,015	1,500	3,000	3,000	3,000	3,000	
Insurance - Property, liability, Workers comp	33,000	22,063	30,000	33,000	33,000	33,000	33,000	
Payroll and Taxes, Benefits	1,125,194	1,078,224	1,158,950	1,193,719	1,229,530	1,266,416	1,304,408	
Levy Park Conservancy Payroll, Taxes, Benefits	994,308	946,960	995,000	1,024,850	1,055,596	1,087,263	1,119,881	
Consultants	5,000	-	5,000	5,000	5,000	5,000	5,000	
Contract Labor	2,500	-	2,500	2,500	2,500	2,500	2,500	
Bank/Payroll service fees	6,500	6,370	6,500	6,500	6,500	6,500	6,500	
Professional Development	3,000	825	3,000	3,000	3,000	3,000	3,000	Assumes 2-3 professional development conferences or workshops
Travel	3,000	2,312	3,000	2,500	2,500	2,500	2,500	Assumes travel for 2-3 in-state conferences or workshops
Dues & Subscription	18,740	19,484	20,000	20,000	20,000	20,000	20,000	
Office supplies	4,000	2,887	4,000	4,000	4,000	4,000	4,000	
Records Storage	2,000	2,094	2,000	2,000	2,000	2,000	2,000	
Office Other	35,000	25,636	35,000	35,000	35,000	35,000	35,000	
Rent - Office	150,000	111,812	150,000	150,000	150,000	150,000	150,000	
Capital Outlay	5,000	-	5,000	5,000	5,000	5,000	5,000	
Total Program Support Services	2,686,742	2,484,968	2,721,450	2,790,069	2,856,626	2,925,179	3,001,040	
Planning & Urban Design								
Transportation Consultant-Goodman	160,000	79,261	205,000	160,000	160,000	160,000	160,000	Includes \$35K in FEMA disaster recovery pursuit and management-Goodman
Program Management Consultants - Gunda	20,000	2,103	20,000	20,000	20,000	20,000	20,000	
Streetscape Planning & Design - Mobility	215,000	-	275,000	75,000	75,000	75,000	75,000	Remainder of the updating of the mobility plan - Ardurra/Gunda Corp
US 59 Underpass Design								
Urban Planning and Design - Other		-						
Total Planning & Urban Design	395,000	81,364	500,000	255,000	255,000	255,000	255,000	
Reimbursement by Affiliated Organizations								
Reimbursement Metro								
Reimbursement UKDFLPC	(1,064,757)	(1,009,687)	(1,067,600)	(1,099,628)	(1,132,617)	(1,166,595)	(1,201,593)	
Reimbursement UKRA	(274,480)	(289,000)	(296,640)	(296,640)	(296,640)	(296,640)	(305,539)	
Total Reimbursement by Affiliated Organizations	(1,339,237)	(1,298,687)	(1,364,240)	(1,396,268)	(1,429,257)	(1,463,235)	(1,507,132)	
O&M CIP Expense								
Long Term Debt	146,465	146,465	148,765	148,765	145,965	148,065	146,965	
Direct Capital Funding	2,600,000	5,250,000	2,650,000	2,000,000	1,500,000	1,400,000	1,350,000	
Total CIP Expense	2,746,465	5,396,465	2,798,765	2,148,765	1,645,965	1,548,065	1,496,965	
Total Expenditures	6,237,470	8,319,574	6,539,475	5,684,016	5,283,184	5,248,219	5,276,744	
Revenues Over (Under) Expenditures	(803,659)	(3,051,671)	(1,331,989)	(743,210)	(189,609)	2,708	(25,817)	
Beginning Fund Balance	5,399,440	9,310,755	6,259,084	4,927,095	4,183,886	3,994,277	3,996,984	
Reserve-Debt Service								*Balance should equal approximately 75% of expenditures in future years in order to maintain current credit rating
Ending Fund Balance	4,595,781	6,259,084	4,927,095	4,183,886	3,994,277	3,996,984	3,971,168	
Balance as % of Expenditures	75%	75%	75%	74%	76%	76%	75%	

[illegible]

	Taxable		Collection	Tax
Year	Assessed Value	Tax Rate	Rate	Collections
2024	3,769,000,312	0.1350	99%	5,037,269
2025	3,882,070,321	0.1325	99%	5,092,306
2026	3,998,532,431	0.1325	99%	5,245,075
2027	4,118,488,404	0.1325	99%	5,402,427
2028	4,242,043,056	0.1325	99%	5,564,500

	Taxable		Collection	Tax
Year	Assessed Value	Tax Rate	Rate	Collections
2024	3,769,000,312	0.1320	99%	4,925,330
2025	3,882,070,321	0.1320	99%	5,073,089
2026	3,998,532,431	0.1320	99%	5,225,282
2027	4,118,488,404	0.1320	99%	5,382,041
2028	4,242,043,056	0.1320	99%	5,543,502

	Taxable		Collection	Tax
Year	Assessed Value	Tax Rate	Rate	Collections
2024	3,769,000,312	0.1300	99%	4,850,703
2025	3,882,070,321	0.1300	99%	4,996,225
2026	3,998,532,431	0.1300	99%	5,146,111
2027	4,118,488,404	0.1300	99%	5,300,495
2028	4,242,043,056	0.1300	99%	5,459,509

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Harris County Improvement District No. 3 of Harris County, Texas, do hereby certify as follows:

1. The Board of Directors of the Harris County Improvement District No. 3 convened in Regular Session on the 21st day of October 2025, at a meeting place inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Patricia Ann Chesnick	President
Cort King	Vice President
Andrew Rice	Secretary/Treasurer
Chris Gibbs	Director
Barrett Webster	Director

and all of said persons were present, except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

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AND REQUESTING CITY OF HOUSTON APPROVAL**

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

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Subchapter C, Chapter 49, Texas Water Code.

SIGNED AND SEALED the 21st day of October, 2025.

Secretary/Treasurer

(SEAL)

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WHEREAS, Harris County Improvement District No. 3 (the "District") is a political subdivision of the State of Texas created and operating pursuant to Chapter 3805 of the Special District Local Laws Code ("the Act"); and

WHEREAS, the District functions generally as a municipal management district, pursuant to Chapter 375 of the Local Government Code, serving the Upper Kirby area; and

WHEREAS, by the provisions of Section 3805.051 of the Act, the District is governed by a board of five directors who serve staggered four-year terms; and

WHEREAS, the service terms for two of the five members of the Board of Directors of the District, namely Cort King and Patricia Ann Chesnick, expired on June 1, 2023; and the terms for three of the Board members, namely Chris Gibbs, Barrett Webster, and Andrew Rice, expired on June 1, 2025; and

WHEREAS, pursuant to Section 375.064 of the Local Government Code, the Board of Directors of the District is directed to recommend to the governing body of its municipality persons to serve on the succeeding Board of Directors; NOW, THEREFORE

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3 THAT:

Section 1: It is recommended to the City Council of the City of Houston (the "City") that the following individuals be reappointed to serve on the Board of Directors of the District for the positions noted:

a) For the terms expiring on June 1, 2023; and

- 1) Cort King, Position One; and
- 2) Patricia Ann Chesnick, Position Two;

To be reappointed for a term expiring June 1, 2027.

b) For the terms expiring June 1, 2025.

- 3) Chris Gibbs, Position Three;
- 4) Barrett Webster, Position Four; and
- 5) Andrew Rice, Position Five;

To be reappointed for a term expiring June 1, 2029.

Section 2: The foregoing individuals are qualified to serve pursuant to the requirements of Subchapter D, Chapter 375, of the Local Government Code.

Section 3: The Board of Directors of the District hereby requests that, after necessary review, the City approve reappointment of the Directors as recommended.

[Execution Page Follows]

PASSED AND APPROVED this 21st day of October, 2025.

President, Board of Directors

ATTEST:

Secretary/Treasurer, Board of Directors

DRAFT