

CERTIFICATE FOR
ORDER AUTHORIZING APPLICATION TO THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR APPROVAL OF PROJECT AND BONDS

I, the undersigned Secretary of the Board of Directors (the "Board") of Galveston County Municipal Utility District No. 14 (the "District"), hereby certify as follows:

1. The Board, composed as follows:

Brent Novelli, President
David Mills, Vice President
Ted Duck, Secretary
Scotty Wilson, Assistant Secretary
Christopher Gleeson, Assistant Secretary

convened in special session, open to the public, on February 27, 2017, at the Board's regular meeting place, and all of the members of the Board were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting: A written

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

AYES: 5 NOES: 0

2. A true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to this certificate; such Order has been duly recorded in the Board's minutes of such meeting; 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; 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 such meeting, and that such Order would be introduced and considered for adoption at such meeting; and such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code and Section 49.063, Texas Water Code, as amended.

SIGNED AND SEALED this 27th day of February, 2017.

GALVESTON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 14



By: Ted Duda
Secretary, Board of Directors

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WHEREAS, Galveston County Municipal Utility District No. 14 (the "District") is in the process of continuing construction of its waterworks, sanitary sewer, storm sewer and drainage system to serve the land within its boundaries; and

WHEREAS, Section 49.181, Texas Water Code, as amended, requires the District, when it desires to issue bonds, to submit in writing to the Texas Commission on Environmental Quality (the "Commission") an application for the investigation of the project proposed to be constructed and of the District's bonds proposed to be issued, together with a copy of the engineer's report and a copy of the data, plats, profiles, maps, plans and specifications prepared in connection with such project; and

WHEREAS, the Board of Directors desires to secure the approval of the Commission of the construction and/or purchase of water, sewer and drainage facilities and services necessary to serve the District, and to the issuance of the bonds hereinafter described in Section 1(b) of this Order;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 14, THAT:

Section 1: The President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the District are hereby authorized and directed as follows:

(a) To make application to the Commission pursuant to Section 49.181, Texas Water Code, as amended, for an investigation and report upon the feasibility of the District's constructing and/or purchasing additional water distribution facilities, sanitary sewage collection facilities and storm water drainage facilities and services necessary to serve areas within the District; and

(b) To request the Commission to approve the bonds of the District in an aggregate amount not to exceed \$2,050,000, bearing interest at a net effective interest rate not exceeding

two percentage points above the Daily Bond Buyer's "20-Bond Index", and maturing serially in accordance with a schedule to be furnished in an engineering report to the Commission by the District's engineers; and

(c) To request the Commission to approve that portion of the District's facilities described in Section 1(a) and to make a written report thereon, with such report to be filed in the office of the Commission and a copy to be furnished to the Attorney General of Texas and to the Board of Directors of the District; and

(d) To request that the Commission:

(1) determine that the District and this application are exempt from the developer cost participation requirements of §293.47 pursuant to the exception under §293.47(a)(2) and (e)(2) of the Rules of the Commission; and

(2) determine that the District and this application are exempt from the requirement for the preparation and submission of an independent market study under 293.59(k)(10) of the Rules of the Commission because the District is not projecting growth to support the feasibility of the proposed bonds.

Section 2: By this Order, the District assures the Commission that it will abide by the terms and conditions prescribed by the Commission, and to the extent applicable, it will retain or cause to be retained the required percentage of all sums due all construction contractors on such portions of the District's system to assure that the system is completed in accordance with the approved plans and specifications.

Section 3: Dannenbaum Engineering Corporation, the District's engineers, are hereby authorized and directed to prepare an engineering report in such form as may be required by the Commission and to submit the same to the Commission in support of this Order.

Section 4: The President or Vice President and Secretary or Assistant Secretary of the Board of Directors, the District's engineers, the District's financial advisors, FirstSouthwest, a Division of Hilltop Securities, Inc., and the District's attorneys, Schwartz, Page & Harding, L.L.P., are hereby authorized and directed to do any and all things necessary and proper in connection with this Order.

Section 5: A certified copy of this Order shall constitute an application and request on behalf of the District to the Commission pursuant to Section 49.181, Texas Water Code, as amended, and the Rules of the Commission for approval (i) of that portion of the District's waterworks, sanitary sewer and drainage system described in Section 1(a) hereof, (ii) of the bonds described in Section 1(b) hereof, and (iii) of the exemptions and other prayers and requests hereinabove described.

PASSED AND ADOPTED this 27th day of February, 2017.

/s/ Brent Novelli
President, Board of Directors
Galveston County Municipal
Utility District No. 14

ATTEST:

/s/ Ted A. Duck
Secretary, Board of Directors
Galveston County Municipal
Utility District No. 14

(SEAL)