
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

and

UMB Bank, N.A.

as Transfer and Paying Agent and Registrar

TRANSFER AND PAYING AGENT/REGISTRAR AGREEMENT

Dated as of November 1, 2023

**RANCHO DESIERTO BELLO DEFINED AREA
UNLIMITED TAX BONDS,
SERIES 2023**

TRANSFER AND PAYING AGENCY AGREEMENT

THIS **TRANSFER AND PAYING AGENCY AGREEMENT** (hereinafter referred to as this "*Agreement*"), dated as of November 1, 2023, between **Horizon Regional Municipal Utility District**, a municipal utility district, created pursuant to Article XVI, Section 59 of the Constitution of the State of Texas and validly exists and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended (hereinafter together with any successor herein authorized referred to as the "*Issuer*"), and **UMB Bank, N.A.**, a national banking association duly organized and existing under the laws of the United States of America (hereinafter together with any successor herein authorized referred to as the "*Paying Agent*"),

WITNESSETH:

WHEREAS, pursuant to that certain Resolution Authorizing Issuance of Horizon Regional Municipal Utility District Rancho Desierto Bello Defined Area Unlimited Tax Bonds, Series 2023, adopted by the Board of Directors (herein referred to as the "*Board*") of the Issuer on September 28, 2023 (hereinafter referred to as the "*Resolution*"), the Board of the Issuer has authorized the issuance of its Rancho Desierto Bello Unlimited Tax Bonds, Series 2023 (the "*Bonds*") subject to the terms of the Resolution;

WHEREAS, the Issuer desires that all such Bonds be issued in fully registered form with privileges of transfer and exchange as provided in the Order to assure the exemption from federal income tax of interest thereon pursuant to section 103 of the Internal Revenue Code of 1986, as amended, and is authorized by Article XVI, Section 59 of the Constitution of the State of Texas, to issue the Bonds in such form and amount and to provide for the issuance of bonds upon transfer or replacement thereof or in exchange therefor at any place of payment as provided in the Resolution;

WHEREAS, in order to provide for the registration, payment, transfer, exchange, and replacement of the Bonds, the Issuer has authorized the execution and delivery of this Agreement;

WHEREAS, all things have been done which are necessary to make the Bonds, when registered by the Comptroller of Public Accounts of the State of Texas and delivered, the valid obligations of the Issuer, and to constitute this Agreement a valid contract in accordance with its terms;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, and subject to the conditions herein set forth, the Issuer and the Paying Agent agree as follows:

ARTICLE ONE
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

B. All references in this instrument to designated "*Articles*," "*Sections*," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed.

C. The words "*herein*," "*hereof*," and "*hereunder*" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision.

"*Agreement*" means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended by one or more instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"*Bonds*" means the Rancho Desierto Bello Unlimited Tax Bonds, Series 2023 issued in the aggregate principal amount of \$1,645,000.

"*Company*" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

"*Holder*" when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register.

"*Issuer*" means Horizon Regional Municipal Utility District.

"*Paying Agent*" means the person named as the "*Paying Agent*" in the first paragraph of this instrument until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Agreement, and, thereafter, "*Paying Agent*" shall mean such successor Paying Agent.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Redemption Price*" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to the terms thereof, which does not include installments of interest whose Interest Payment Date is on or before the Redemption Date.

"Resolution" means that certain Resolution Authorizing the Issuance of Horizon Regional Municipal Utility District Rancho Desierto Bello Defined Area Unlimited Tax Bonds, Series 2023 adopted by the Board of Directors of the Issuer on September 28, 2023.

SECTION 1.02. *Notices.*

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted by this Agreement or the Resolution to be made upon, given or furnished to, or filed with

A. the Issuer by the Paying Agent shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it c/o Johnson Petrov LLP, 2929 Allen Parkway, Suite 3150, Houston, Texas 77019, Attention: President, or at any other address previously furnished in writing to the Paying Agent by the Issuer, and

B. the Paying Agent by the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Paying Agent addressed to it at UMB Bank, N.A. ,6034 West Courtyard Drive, Suite 370, Austin, Texas 78730, Attention: James Henry or at any other address previously furnished in writing to the Issuer by the Paying Agent or to which its office may have been relocated.

Where this Agreement provides for notice to Holders of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder of such Bonds, at the address of such Holder as it appears in the Bond Register.

In any case where notice to Holders of Bonds is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of Bonds shall affect the sufficiency of such notice with respect to all other Bonds. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.03. *Effect of Headings and Table of Contents.*

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.04. *Successors and Assigns.*

All covenants and agreements in this Agreement by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 1.05. *Severability Clause.*

In case any provision of this Agreement or in the Bonds or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.06. *Benefits of Agreement.*

Nothing in this Agreement or in the Bonds, express or implied, shall give to any Person other than the parties hereto and their successors hereunder, and the Holders of the Bonds any benefit or any legal or equitable right, remedy, or claim under this Agreement, except that the Surety shall be a third-party beneficiary to this agreement.

SECTION 1.07. *Governing Law.*

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

SECTION 1.08. *Term.*

The term of this Agreement shall commence on the date specified in the first paragraph hereof and shall terminate on the date on which the final payment of principal on any of the Bonds becomes due and payable, whether at the "Stated Maturity" as set forth therein or by call for redemption or otherwise; *provided* that this Agreement shall automatically terminate if no Bonds shall have been authenticated and delivered pursuant hereto within 90 days from the date hereof.

SECTION 1.09. *Entire Agreement/Conflicts.*

This Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and if any conflict exists between this Agreement and the Resolution, the Resolution shall govern.

ARTICLE TWO

THE BONDS

SECTION 2.01. *General.*

The Bonds shall have the title and be in the denominations specified in the Resolution. The aggregate principal amount of Bonds which may be authenticated and delivered and outstanding under this Agreement is limited as provided in the Resolution.

The forms of the Bonds shall be as provided in the Resolution.

SECTION 2.02. *Execution, Authentication, Delivery, Dating, Registration, Replacement, Cancellation, Transfer, Exchange, Redemption, and Payment of Bonds.*

The Bonds shall be executed, authenticated, delivered, dated, registered, replaced, canceled, and subject to transfer, redemption, and exchange as provided, and the principal (and Redemption Price) of and interest on the Bonds shall be payable to the persons and in the manner provided, in the Resolution.

ARTICLE THREE

RIGHTS AND OBLIGATIONS OF PAYING AGENT

SECTION 3.01. *Certain Duties and Responsibilities.*

A. The Paying Agent

(1) undertakes to perform such duties as are specifically set forth for it in this Agreement and the Resolution, and no implied covenants or obligations shall be read into this Agreement, the Resolution, or the Outstanding Bond Resolutions against the Paying Agent, and

(2) in the absence of bad faith on its part, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Agreement and the Resolution with respect to the Bonds, and in the Outstanding Bond Resolutions with respect to the Corresponding series of Outstanding Bonds.

(3) if issue is qualified and accepted for Depository Trust Company (DTC) or equivalent depository trust service by other organizations, Paying Agent has the capability and, to the extent within its control, will comply with the operational arrangements, which establishes requirements for securities to be eligible for such typed depository trust services, including but not limited to, requirements for the timeliness of payments and funds availability, transferred turnaround time, and notification of redemption and calls.

B. No provision of this Agreement or the Resolution shall be construed to relieve the Paying Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of *Subsection A* of this Section; and

(2) the Paying Agent shall not be liable for any error of judgment made in good faith by any officer thereof, unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

C. Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Paying Agent shall be subject to the provisions of this Section.

SECTION 3.02. *Certain Rights of Paying Agent.*

Except as otherwise provided in *Section 3.01* hereof:

A. the Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. the Paying Agent may consult with legal counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Paying Agent hereunder in good faith and in reliance thereon;

C. the Paying Agent shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document, but the Paying Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Paying Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney; and

D. the Paying Agent may execute any of the trusts or powers hereunder or perform any of the duties hereunder either directly or by or through agents or attorneys, and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder with due care.

SECTION 3.03. *Not Responsible for Recitals.*

The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Issuer, and the Paying Agent assumes no responsibility for their correctness.

SECTION 3.04. *May Hold Bonds.*

The Paying Agent, in its individual or any other capacity, may become the owner or pledgee of Bonds and otherwise deal with the Issuer with the same rights it would have if it were not serving as paying agent, transfer agent, bond registrar, or authenticating agent or in other capacity hereunder.

SECTION 3.05. *Money Deposited with Paying Agent.*

Money deposited by the Issuer or the Surety with the Paying Agent for payment of the principal (or Redemption Price) of or interest on any Bonds shall be segregated from other funds of the Paying Agent and the Issuer and shall be held in trust for the benefit of the Holders of such Bonds.

The Paying Agent shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

All money deposited with the Bank hereunder shall be collateralized in the manner and to the fullest extent required by applicable law, to the extent not insured by the Federal Deposit Insurance Corporation, for the security of funds of the Issuer.

Any money deposited with the Paying Agent for the payment of the principal or interest on any Bond or Outstanding Bond and remaining unclaimed after the expiration of three years from the date such funds have become due and payable shall be reported and disposed of by the Paying agent in accordance with the provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended. The Paying Agent shall have no liability by virtue of actions taken in compliance with the foregoing provision.

SECTION 3.06. *Compensation and Reimbursement.*

The Issuer agrees:

A. to pay to the Paying Agent the fee set forth in the Paying Agent's fee schedule attached as Exhibit "A" hereto. The Paying Agent reserves the right to amend the fee schedule at any time, provided the Paying Agent shall have furnished the Issuer with a written copy of such amended fee schedule at least seventy-five (75) days prior to the date that the new fees are to become effective;

B. except as otherwise expressly provided herein, to reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent for extraordinary services or out-of-pocket expenses (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Paying Agent; and

C. to the extent allowed by law, to indemnify the Paying Agent for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the performance of its obligations hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

SECTION 3.07. *Resignation and Removal.*

The Paying Agent may resign from its duties hereunder at any time by giving not less than 30 days written notice thereof to the Issuer. The Paying Agent may be removed from its duties hereunder as described in the Resolution.

Upon the effective date of such resignation or removal (or any earlier date designated by the Issuer in case of resignation) the Paying Agent shall, upon payment of all its fees, charges, and expenses then due, transfer and deliver to or upon the order of the Issuer all funds, records, and Bonds held by it under this Agreement.

If the Paying Agent shall resign or be removed, the Issuer shall by order of its Board of Directors promptly appoint and engage a successor having a principal office in the City of Houston, Texas, to act as Paying Agent hereunder, which appointment shall be effective as of the effective date of the resignation or removal of the predecessor Paying Agent. Notwithstanding anything to the contrary herein, no resignation or removal shall become effective until and unless a successor Paying Agent shall have been appointed and accepted such appointment. Every Paying Agent appointed hereunder shall at all times meet the qualifications in the Resolution. Such successor shall immediately give notice of its substitution hereunder in the name and at the expense of the Issuer to the Holders of all Bonds then outstanding, including the name of the successor Paying Agent and the address of its principal office.

SECTION 3.08. *Merger, Conversion, Consolidation, or Succession.*

Any corporation into which the Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Paying Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Paying Agent shall be the successor of the Paying Agent hereunder, without the execution or filing of any paper or the taking of any further action by either of the parties hereto, provided however, that any such successor corporation to the Paying Agent shall be otherwise qualified and eligible under the Resolution. In case any Bond shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion, or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Bond so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Bond.

SECTION 3.09 *Certifications Regarding Texas Government Code.*

(a) This Agreement has a value of less than \$100,000 for purposes of Sections 2271.002 and 2274.002, Texas Government Code.

(b) The Paying Agent represents that, neither the Paying Agent, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/publications/divestment.php>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Paying Agent and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Paying Agent

understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Paying Agent and exists to make a profit.

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

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, we have hereunto set our hands officially and impressed the District's official seal hereon this 28th day of September, 2023.

**HORIZION REGIONAL MUNICIPAL
UTILITY DISTRICT**

ATTEST:

Secretary, Board of Directors

By: _____
President, Board of Directors

{SEAL}

UMB Bank, N.A.
as Paying Agent

By: _____
Name: _____
Title: _____

{SEAL}

EXHIBIT "A"