

Fort Bend County Municipal Utility Districts No. 122 & No. 123

Frequently Asked Questions for the November 2, 2021 Park Bond Election

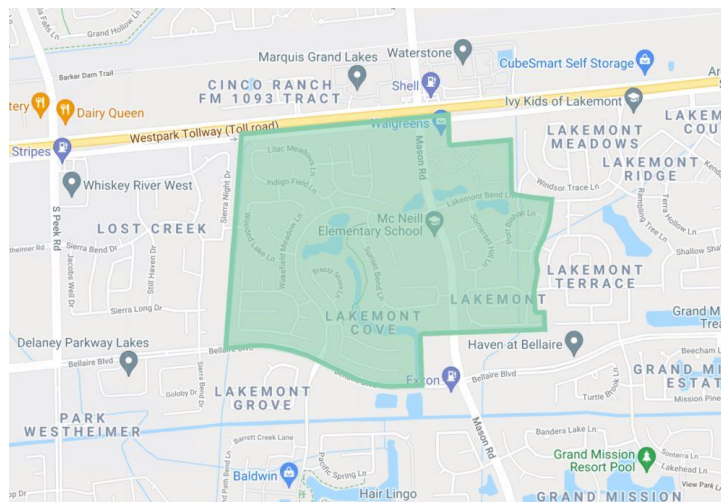
The Boards of Directors (the "Boards") for Fort Bend County Municipal Utility District No. 122 ("FBMUD No. 122") and Fort Bend County Municipal Utility District No. 123 ("FBMUD No. 123") (FBMUD No. 122 and FBMUD No. 123 are each referred to as a "District" and together referred to as the "Districts") have called for two propositions for each District, related to park bonds, to be on the election ballot for Tuesday, November 2, 2021.

To ensure that registered voters of each District have accurate information regarding the proposition and the goals for each District, answers to common questions have been compiled.

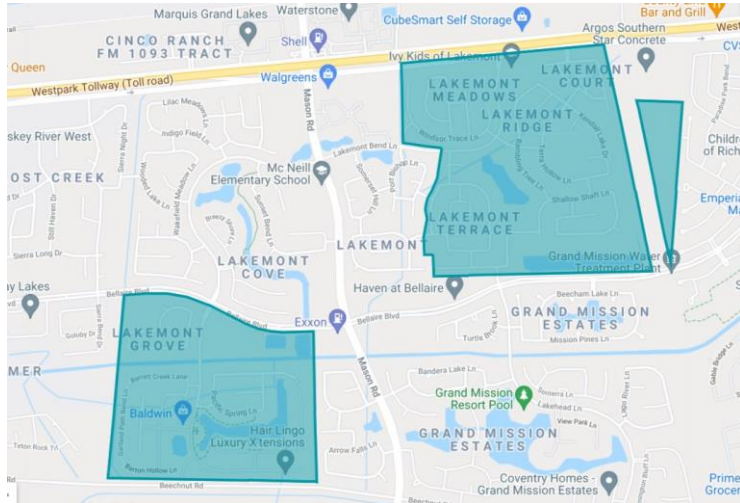
What are FBMUD No. 122 and FBMUD No. 123?

FBMUD No. 122 and FBMUD No. 123 are municipal utility districts created in 2000 by order of the Texas Commission on Environmental Quality for the purpose of providing water and sanitary sewer services to its residents. The Districts also have park and recreational authority, which was granted by the State of Texas in 2003 and may sell park bonds after they have been approved and authorized by the voters. FBMUD No. 122 contains 360 acres of land, and FBMUD No. 123 encompasses 490 acres of land (see maps below).

Map of FBMUD No. 122



Map of FBMUD No. 123



What are the immediate goals of the Districts?

In 2020, the two Districts purchased 12 acres of land for the purpose of preserving green space and creating additional amenities for the community. Bond propositions are being considered in both Districts to finance the development of the community park and related amenities.

How did the Districts receive community input?

The Boards authorized the presentation of the park plan goal, seeking community input, at the Annual Meeting for Lakemont HOA. Residents were able to ask questions and receive immediate answers. In addition, community input was gathered from July 13th – 30th through the 'Contact Us' form on the Districts' websites, through outreach via Facebook, and via email. The Districts received input from numerous residents, and the information was compiled and presented to the Communications Committee. The Committee then formed the Master Park Plan with consideration to community feedback.

What is the Master Park Plan?

With 12 acres of green space, the proposed park could include elements such as a recreational building, splash pad, playground, outdoor event space, pavilion with restroom, multipurpose sports fields, multipurpose sports courts, sand volleyball, trails, parking spaces and a water feature (see a proposed representation graphic below). The Master Park Plan can be amended to address any changing ideas or needs from the community.



TBG

fort bend
mud 122 & 123
parks master
plan

Fort Bend County, Texas
08/05/2021

Concept plan

Scale
1" = 30' (1:360)
North Arrow
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The information shown is based on the best information available and is not intended to constitute a warranty.

How do the Districts plan to achieve these goals?

To fund the park project, FBMUD No. 122 and FBMUD No. 123 must each receive bond authorization from voters in the respective Districts in the amount of \$3MM each, for a combined total of \$6MM in authorized bonds across both districts. Each Board has called for two propositions for their respective District on the November 2, 2021, ballot to (i) authorize these bonds, and (ii) allow for the refunding of such bonds, effectively a refinancing of the bonds, if savings can be achieved by a District.

How will the propositions appear on the ballot?

FBMUD No. 122

The language below will be on the ballot for the registered voters of FBMUD No. 122 when they go to the polls or vote by mail for the November 2, 2021, election, asking voters to select one (1) option of either **FOR** or **AGAINST**:

FBMUD No. 122 -PROPOSITION A

THE ISSUANCE OF \$3,000,000 BONDS FOR RECREATIONAL FACILITIES AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS

FBMUD No. 122 -PROPOSICIÓN A

LA EMISIÓN DE \$3,000,000 EN BONOS PARA INSTALACIONES RECREATIVAS Y LA IMPOSICIÓN DE IMPUESTOS, SIN LÍMITE EN CUANTO A TASA O CANTIDAD, SUFICIENTES PARA PAGAR EL CAPITAL Y EL INTERÉS DE LOS BONOS

FBMUD No. 122 -PROPOSITION B

THE ISSUANCE OF \$3,000,000 BONDS FOR REFUNDING RECREATIONAL FACILITIES BONDS OF THE DISTRICT AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS

FBMUD No. 122 -PROPOSICIÓN B

LA EMISIÓN DE \$3,000,000 EN BONOS PARA REEMBOLSAR LOS BONOS PARA INSTALACIONES RECREATIVAS DEL DISTRITO, Y LA IMPOSICIÓN DE IMPUESTOS, SIN LÍMITE EN CUANTO A TASA O CANTIDAD, SUFICIENTES PARA PAGAR EL CAPITAL Y EL INTERÉS DE LOS BONOS

FBMUD No. 123

The language below will be on the ballot for residents of FBMUD No. 123 when they go to the polls or vote by mail for the November 2, 2021, election, asking voters to select one (1) option of either **FOR** or **AGAINST**:

FBMUD No. 123 - PROPOSITION A

THE ISSUANCE OF \$3,000,000 BONDS FOR RECREATIONAL FACILITIES AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS

FBMUD No. 123 -PROPOSICIÓN A

LA EMISIÓN DE \$3,000,000 EN BONOS PARA INSTALACIONES RECREATIVAS Y LA IMPOSICIÓN DE IMPUESTOS, SIN LÍMITE EN CUANTO A TASA O CANTIDAD, SUFICIENTES PARA PAGAR EL CAPITAL Y EL INTERÉS DE LOS BONOS

FBMUD No. 123 - PROPOSITION B

THE ISSUANCE OF \$3,000,000 BONDS FOR REFUNDING RECREATIONAL FACILITIES BONDS OF THE DISTRICT AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS

FBMUD No. 123 -PROPOSICIÓN B

LA EMISIÓN DE \$3,000,000 EN BONOS PARA REEMBOLSAR LOS BONOS PARA INSTALACIONES RECREATIVAS DEL DISTRITO, Y LA IMPOSICIÓN DE IMPUESTOS, SIN LÍMITE EN CUANTO A TASA O CANTIDAD, SUFICIENTES PARA PAGAR EL CAPITAL Y EL INTERÉS DE LOS BONOS

What is a bond authorization?

A bond authorization is an approval process to sell bonds to fund district projects. It is similar to a line of credit that a business might use to fund its operations. An authorization is not immediate funding, nor is it a “blank check” to fund projects without meeting strict regulatory requirements. While an authorization may be approved for a large amount, bonds may only be sold once necessary projects are ready to begin.

What will the Parks Bond authorization be used for?

The parks bond authorization can only be used for acquisition, design, and construction of park facilities, such as a recreation building, parks, playgrounds, and trails.

How would the proposed Park Bonds impact my taxes?

Your tax bill is made up of two components: (1) a debt service tax used to pay the principal and interest on district bonds, and (2) a maintenance and operations tax used to pay for the operational costs of the district. If the bonds are authorized by the voters at the November 2nd election and issued, based upon financial projections and given the available information at this time, the estimated tax bill is projected to only increase due to increases in the appraised taxable value of property within a District, not due to an increase in an overall District tax rate.

Join us for the Community Park Bond Election Webinar

The Boards cordially invite voters of the Districts to the Community Park Bond Election Webinar to discuss the upcoming proposition election on the November 2021 ballot. These events will feature exhibits showing the proposed park plans for the Districts, and the Election Committee and Districts' consultants will be present to answer your questions.

You may select from the dates designated below:

October 5th at 7:00 p.m.

October 9th at 9:00 a.m.

Please register for either webinar at:

<https://attendee.gotowebinar.com/rt/7881245889706537743>

After registering, you will receive a confirmation email containing information about joining the webinar.

I have more questions...

Good! The goal of the Boards of Directors of FBMUD No. 122 and FBMUD No. 123 is for voters to have all the information at their disposal when the election approaches. Additional questions can be fielded through the "Contact Us" form on the Districts' websites: <https://www.fbmud122.com/contact-us> and <https://www.fbmud123.com/contact-us>.

Stay in Touch with Us

The Boards of Directors of FBMUD No. 122 and FBMUD No. 123 want to provide excellent communication and transparency. Stay up to date about the Districts by visiting the Election tab on the District website <https://www.fbmud122.com/election-information> and <https://www.fbmud123.com/election-information>.