INVITATION TO TENDER
made by
CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM

to the Bondholders described herein of all or any portion of the maturities and corresponding CUSIP Numbers listed on pages *(ii) - (v)* herein relating to the:

City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2017B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2018D
City of Houston, Texas Combined Utility System First Lien Revenue Bonds, Taxable Series 2018E
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2019B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2019C
City of Houston, Texas Combined Utility System First Lien Revenue and Refunding Bonds, Series 2020C
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2020D
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2021A
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2021B

THIS INVITATION TO TENDER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON NOVEMBER 30, 2026 (THE "OFFER EXPIRATION DATE"), UNLESS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.

This Invitation to Tender, dated November 13, 2026 (as it may be amended or supplemented, this "**Invitation**"), describes an offer by the City of Houston, Texas ("**City**"), with the assistance of RBC Capital Markets, LLC and Raymond James & Associates, Inc., as co-dealer managers (each a "Dealer Manager," and collectively, the "**Dealer Managers**"), to the beneficial owners (the "**Bondholders**") of the maturities set forth in the tables on pages (ii) – (v) (collectively, the "**Target Bonds**"), to tender such Target Bonds for purchase for consideration in the form of cash as follows (the "**Tender Offer**" or the "**Offer**"):

(a) with respect to each such maturity of the federally tax-exempt Target Bonds listed in Table 1 on pages (ii) – (iii) of this Invitation (the "**Tax-Exempt Target Bonds**"), at the purchase price (each, a "**Purchase Price**") set forth in the applicable table; and

(b) with respect to each maturity of the federally taxable Target Bonds listed in Table 2 on pages (iv) – (v) of this Invitation (the "**Taxable Target Bonds**"), at the Purchase Price to be determined based on the applicable fixed spread (each, a "**Fixed Spread**") to be added to the yield on the relevant benchmark United States Treasury Security (each, a "**Benchmark Treasury Security**") on the Taxable Target Bonds of the maturity corresponding thereto tendered for purchase; the "**Fixed Spread**" for each maturity and corresponding CUSIP number of the Taxable Target Bonds is listed on pages (iv) – (v) of this Invitation.

In each case, interest on purchased Target Bonds accruing from the most recent interest payment date to but excluding the Settlement Date ("**Accrued Interest**") will also be paid on the Settlement Date.

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to this Invitation, including Accrued Interest, is expected to be the proceeds of the Series 2026B Bonds (as defined herein) and, at the City's sole discretion and determination, may be supplemented with available funds from the City.

If issued, the City's Combined Utility System First Lien Revenue Refunding Bonds, Series 2026B (the "**Series 2026B Bonds**") are expected to be issued in the manner, on the terms, and with the security therefor described in the Preliminary Official Statement, dated November 13, 2026, which is incorporated by reference to this Invitation, (the "**2026B POS**"), as completed by a final official statement. **The purchase of any Target Bonds tendered pursuant to the Offer is contingent upon the issuance of the Series 2026B Bonds and is also subject to certain other conditions (as described herein), including, without limitation, the Financing Conditions** (as defined herein). Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the 2026B POS.

The City has heretofore adopted a master ordinance (the "**2004 Master Ordinance**") pursuant to which outstanding Combined Utility System Revenue Obligations, including the Target Bonds (together with any future issuance by the City of such obligations, the "**System Obligations**"), have been previously issued. On November 4, 2026, the City adopted an amended and restated ordinance (the "**Master Ordinance**") that made certain modifications to the 2004 Master Ordinance, including, among others, to require provisions for monthly deposits to the First Lien Bond Interest and Sinking Fund and the Second Lien Bond Interest and Sinking Fund for the payment of debt service on outstanding System Obligations, in connection with the City's intention to finance capital improvements to the System through the issuance of System Obligations that are equally and ratably payable from and secured by a lien on Net Revenues collected and received by the City after payment of all Maintenance and Operation Expenses of the System. Such amendments (but not the Springing Amendments described in the following paragraph) are collectively referred to as the "**Ordinance Amendments**."

Additionally, on November 4, 2026, the City adopted an ordinance authorizing the Series 2026B Bonds (the "**Series 2026B Supplemental Ordinance**") that contains certain modifications to the Master Ordinance that will not become effective until the City has obtained all necessary consents, including consent of Owners holding a majority of aggregate principal amount of then outstanding System Obligations (the "**Springing Amendments**."). The Springing Amendments will: (i) revise the rating requirements for reserve fund surety policies and (ii) address matters related to the flow of funds to provide for the transfer of certain amounts required to pay the costs of using public streets for utility operations (the "**Right of Way Fee**" or "**ROW Fee**,") all as described in the 2026B POS. The effectiveness of the Springing Amendments requires consent from not less than a majority in aggregate unpaid principal amount of System Obligations outstanding. As of the date of this Invitation, the City is seeking consent from bondholders of outstanding System Obligations to the Springing Amendments. Series 2026B bondholders will be deemed to have consented to the Springing Amendments upon delivery of the Series 2026B Bonds. The City is also considering issuing on or prior to its issuance of the 2026B Bonds its Combined Utility System First Lien Revenue Refunding Bonds, Series 2026C (the "**Series 2026C Bonds**") and Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2026D (the "**Series 2026D Bonds**" and together, the "**2026C/D Bonds**") for authorized purposes under the Master Ordinance. **The proceeds of the 2026C/D Bonds will not be a source of funds for the purchase of Target Bonds by the City.** The holders of the 2026C/D Bonds will also be deemed to have consented to the Springing Amendments upon delivery of the 2026C/D Bonds. Upon the City's receipt of consents to the Springing Amendments from holders of a majority in the aggregate of unpaid principal amount of System Obligations outstanding, the Springing Amendments will become effective. More information on the Ordinance Amendments, the Springing Amendments, and the Series 2026B Bonds can be found in the 2026B POS. More information about the 2026C/D Bonds may be found in the offering document related thereto.

Subject to the terms and conditions of the Offer, including satisfaction or waiver of the Financing Conditions (as defined herein), the City expects to purchase on December 17, 2026, unless extended by the City (such date, as so extended, being the "**Settlement Date**") all or a portion of Target Bonds validly tendered for purchase by the Offer Expiration Date noted below, assuming all conditions to the Offer have been satisfied or waived by the City. See "INTRODUCTION—Financing Conditions" and "TERMS OF THE OFFER—Conditions to Purchase for Cash" herein.

Participation by Bondholders of any Target Bonds that have been previously insured in the secondary market is subject to the terms, conditions, and availability of such Offer by the respective insurer, custodian, paying agent or registrar.

BONDHOLDERS OF TARGET BONDS WHO DO NOT TENDER TARGET BONDS PURSUANT TO THE TENDER OFFER, AND BONDHOLDERS OF DULY TENDERED TARGET BONDS THAT ARE NOT PURCHASED BY THE CITY IN ITS DISCRETION WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE "*UNTENDERED BONDS*"). SUCH UNTENDERED BONDS WILL REMAIN OUTSTANDING UNDER THE MASTER ORDINANCE. THE SPRINGING AMENDMENTS UPON THEIR EFFECTIVENESS WILL BECOME APPLICABLE TO SUCH UNTENDERED BONDS, AND THE UNTENDERED BONDS MAY HAVE REDUCED LIQUIDITY AND MARKET VALUE TO THE EXTENT THE OVERALL PAR AMOUNT OF AN OUTSTANDING MATURITY AND CORRESPONDING CUSIP NUMBER IS REDUCED ON ACCOUNT OF THE TENDER OFFER. THE CITY RESERVES THE RIGHT TO DEFEASE OR REFUND REMAINING PORTIONS OF ANY UNTENDERED BONDS WITH AVAILABLE FUNDS OF THE CITY, INCLUDING THROUGH THE ISSUANCE OF ADDITIONAL SYSTEM OBLIGATIONS OR OTHERWISE. SEE "INTRODUCTION—TARGET BONDS NOT PURCHASED; POTENTIAL ADVERSE EFFECTS," "ADDITIONAL CONSIDERATIONS" HEREIN AND THE 2026B POS.

To make an informed decision as to whether, and how, to tender Target Bonds pursuant to the Offer, Bondholders must read this Invitation carefully, including the 2026B POS incorporated herein by reference, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning the Tender Offer, please see "ADDITIONAL CONSIDERATIONS" herein.

Any Bondholder wishing to accept the City's offer to purchase Target Bonds pursuant to this Invitation should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Offer should contact the Dealer Managers or the Information Agent and Tender Agent.

Key Dates and Times

All of these dates and times are subject to change. All times are New York City time. Notices of changes will be sent in the manner provided for in this Invitation.

Launch Date	November 13, 2026
Withdrawal Deadline	5:00 p.m. on November 30, 2026
Offer Expiration Date	5:00 p.m. on November 30, 2026
Preliminary Notice of Acceptance	December 1, 2026
Determination of Taxable Target Bonds Purchase Prices	10:00 a.m. on December 2, 2026
Notice of Taxable Target Bonds Purchase Prices	December 2, 2026
Final Notice of Acceptance of Target Bonds Tendered for Purchase ("Offer Acceptance Date")	December 2, 2026
Settlement Date	December 17, 2026

The Dealer Managers for the Tender Offer are:
RBC Capital Markets and Raymond James & Associates, Inc.

The Information Agent and Tender Agent for the Tender Offer is:
Globic Advisors Inc.*

Date of Invitation to Tender: November 13, 2026

* The Information Agent and Tender Agent's website may be found at the following web address: www.globic.com/houston.

TABLE 1

TAX-EXEMPT TARGET BONDS SUBJECT TO THE TENDER OFFER:

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Series 2017B

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Offer Purchase Price as a Percentage of Par[2]	Optional Redemption Date
44244CMY0	11/15/2029	5.000%	$ 7,760,000	102.245	11/15/2027
44244CMZ7	11/15/2034	5.000	5,080,000	102.022	11/15/2027
44244CNA1	11/15/2035	5.000	1,730,000	101.971	11/15/2027
44244CNB9	11/15/2036	5.000	8,230,000	102.318	11/15/2027
44244CNC7	11/15/2037	5.000	805,000	101.893	11/15/2027
44244CND5	11/15/2038	5.000	9,800,000	101.867	11/15/2027
44244CNE3	11/15/2042**	5.000	45,245,000	101.351	11/15/2027
44244CNF0	11/15/2047**	4.000	69,065,000	86.479	11/15/2027

** Term Bond

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Series 2018D

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Offer Purchase Price as a Percentage of Par[2]	Optional Redemption Date
44244CSR9	11/15/2031	5.000%	$ 15,190,000	104.492	11/15/2028
44244CSS7	11/15/2032	5.000	14,825,000	104.411	11/15/2028
44244CST5	11/15/2033	5.000	14,990,000	104.254	11/15/2028
44244CSU2	11/15/2034	5.000	4,715,000	104.643	11/15/2028
44244CSV0	11/15/2035	5.000	1,225,000	104.295	11/15/2028
44244CSW8	11/15/2036	5.000	235,000	104.278	11/15/2028
44244CSX6	11/15/2037	5.000	14,555,000	104.231	11/15/2028
44244CSY4	11/15/2038	5.000	12,670,000	103.764	11/15/2028
44244CSZ1	11/15/2039	5.000	9,850,000	103.809	11/15/2028
44244CTA5	11/15/2043**	5.000	44,725,000	101.980	11/15/2028
44244CTB3	11/15/2048**	4.000	68,280,000	85.503	11/15/2028

** Term Bond

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Series 2019B

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Offer Purchase Price as a Percentage of Par[2]	Optional Redemption Date
44244CWY9	11/15/2032	5.000%	$ 4,180,000	106.144	11/15/2029
44244CWZ6	11/15/2033	5.000	4,390,000	106.122	11/15/2029
44244CXA0	11/15/2034	5.000	4,615,000	105.522	11/15/2029
44244CXB8	11/15/2035	5.000	4,855,000	105.528	11/15/2029
44244CXC6	11/15/2036	5.000	5,105,000	105.466	11/15/2029
44244CXD4	11/15/2037	5.000	5,365,000	105.267	11/15/2029
44244CXE2	11/15/2038	4.000	5,610,000	98.923	11/15/2029
44244CXF9	11/15/2039	4.000	5,840,000	97.509	11/15/2029
44244CXG7	11/15/2044**	4.000	32,980,000	88.998	11/15/2029

** Term Bond

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(2) The Purchase Price to be paid on the Settlement Date excludes Accrued Interest to the Settlement Date on the Tax-Exempt Target Bonds tendered for purchase.

City of Houston, Texas Combined Utility System
First Lien Revenue and Refunding Bonds, Series 2020C

CUSIP No.[(1)]	Maturity Date	Interest Rate	Principal Amount	Offer Purchase Price as a Percentage of Par[(2)]	Optional Redemption Date
44244CZX8	11/15/2033	5.000%	$ 14,865,000	108.159	11/15/2030
44244CZY6	11/15/2034	5.000	15,630,000	107.245	11/15/2030
44244CZZ3	11/15/2035	4.000	16,350,000	102.674	11/15/2030
44244CA23	11/15/2036	4.000	17,015,000	102.378	11/15/2030
44244CA49	11/15/2038	3.000	15,350,000	87.448	11/15/2030
44244CA56	11/15/2039	4.000	15,900,000	98.749	11/15/2030
44244CA64	11/15/2040	2.500	16,040,000	76.734	11/15/2030
44244CA72	11/15/2043**	4.000	51,770,000	91.522	11/15/2030
44244CA98	11/15/2047**	3.000	41,715,000	72.824	11/15/2030
44244CB22	11/15/2049**	4.000	44,755,000	86.037	11/15/2030

** Term Bond

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Series 2021A

CUSIP No.[(1)]	Maturity Date	Interest Rate	Principal Amount	Offer Purchase Price as a Percentage of Par[(2)]	Optional Redemption Date
44244CK22	11/15/2034	4.000%	$ 7,860,000	102.386	11/15/2031
44244CK55	11/15/2037	3.000	8,815,000	88.352	11/15/2031
44244CK63	11/15/2038	3.000	9,085,000	86.527	11/15/2031
44244CK71	11/15/2039	3.000	9,360,000	84.297	11/15/2031
44244CL21	11/15/2046**	4.000	56,420,000	88.895	11/15/2031
44244CL39	11/15/2051**	4.000	37,860,000	83.594	11/15/2031
44244CL54	11/15/2051**	3.000	7,950,000	67.981	11/15/2031
44244CL47	11/15/2051**	2.375	21,950,000	55.986	11/15/2031

** Term Bond

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(2) The Purchase Price to be paid on the Settlement Date excludes Accrued Interest to the Settlement Date on the Tax-Exempt Target Bonds tendered for purchase.

TABLE 2

TAXABLE TARGET BONDS SUBJECT TO THE TENDER OFFER:

City of Houston, Texas Combined Utility System
First Lien Revenue Bonds, Taxable Series 2018E

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date[2]	Benchmark Treasury Security[3]	Offer Fixed Spreads (Basis Points)[4]
44244CTM9	11/15/2028	3.723%	$ 34,030,000	N/A	4.625% UST due 10/31/2028	-10.0
44244CTN7	11/15/2029	3.823	23,260,000	11/15/2028	4.625% UST due 11/15/2029	-10.0
44244CTP2	11/15/2030	3.923	27,490,000	11/15/2028	4.750% UST due 10/31/2031	-10.0
44244CTQ0	11/15/2031	3.973	31,765,000	11/15/2028	4.750% UST due 10/31/2031	-10.0
44244CTR8	11/15/2032	4.073	1,240,000	11/15/2028	4.875% UST due 10/31/2033	-10.0
44244CTS6	11/15/2033	4.123	1,340,000	11/15/2028	4.875% UST due 10/31/2033	-5.0
44244CTT4	11/15/2038**	4.172	13,275,000	11/15/2028	5.000% UST due 11/15/2036	+5.0

** Term Bond

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Taxable Series 2019C

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date[2]	Benchmark Treasury Security[3]	Offer Fixed Spreads (Basis Points)[4]
44244CXS1	11/15/2028	2.205%	$ 27,065,000	N/A	4.625% UST due 10/31/2028	-10.0
44244CXT9	11/15/2029	2.255	35,845,000	N/A	4.625% UST due 11/15/2029	-10.0
44244CXU6	11/15/2030	2.355	51,725,000	11/15/2029	4.750% UST due 10/31/2031	-10.0
44244CXV4	11/15/2031	2.455	48,550,000	11/15/2029	4.750% UST due 10/31/2031	-10.0
44244CXW2	11/15/2032	2.505	38,800,000	11/15/2029	4.875% UST due 10/31/2033	-10.0
44244CXX0	11/15/2033	2.555	51,250,000	11/15/2029	4.875% UST due 10/31/2033	-5.0
44244CXY8	11/15/2034	2.605	17,555,000	11/15/2029	5.000% UST due 11/15/2036	-5.0
44244CXZ5	11/15/2035	2.655	21,940,000	11/15/2029	5.000% UST due 11/15/2036	+0.0
44244CYA9	11/15/2042**	2.984	148,800,000	11/15/2029	5.000% UST due 11/15/2036	+25.0

** Term Bond

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(2) Certain Taxable Target Bonds are also subject to make-whole redemption as described in the original offering documents.

(3) The yield on the Benchmark Treasury Security to be used in establishing the Purchase Yield and the Purchase Price for the Taxable Target Bonds will be based on the bid-side price of the Benchmark Treasury Security as quoted on the Bloomberg FIT series of pages at 10:00 a.m. on December 2, 2026.

(4) The Purchase Price to be paid on the Settlement Date excludes Accrued Interest to the Settlement Date on the Taxable Target Bonds tendered for purchase.

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Taxable Series 2020D

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date[2]	Benchmark Treasury Security[3]	Offer Fixed Spreads (Basis Points)[4]
44244CC21	11/15/2028	1.522%	$ 4,065,000	N/A	4.625% UST due 10/31/2028	-10.0
44244CC39	11/15/2029	1.572	8,640,000	N/A	4.625% UST due 11/15/2029	-10.0
44244CC47	11/15/2030	1.622	6,685,000	N/A	4.750% UST due 10/31/2031	-10.0
44244CC54	11/15/2031	1.722	6,445,000	11/15/2030	4.750% UST due 10/31/2031	-10.0
44244CC62	11/15/2032	1.822	8,355,000	11/15/2030	4.875% UST due 10/31/2033	-10.0
44244CC70	11/15/2033	1.872	10,085,000	11/15/2030	4.875% UST due 10/31/2033	-5.0
44244CC88	11/15/2034	1.972	11,975,000	11/15/2030	5.000% UST due 11/15/2036	-5.0
44244CC96	11/15/2035	2.022	8,030,000	11/15/2030	5.000% UST due 11/15/2036	+0.0
44244CD20	11/15/2040**	2.542	30,645,000	11/15/2030	5.000% UST due 11/15/2036	+25.0
44244CD38	11/15/2043**	2.642	25,250,000	11/15/2030	5.125% UST due 08/15/2046	+10.0

** Term Bond

City of Houston, Texas Combined Utility System
First Lien Revenue Refunding Bonds, Taxable Series 2021B

CUSIP No.[1]	Maturity Date	Interest Rate	Principal Amount	Optional Redemption Date[2]	Benchmark Treasury Security[3]	Offer Fixed Spreads (Basis Points)[4]
44244CM53	11/15/2028	1.516%	$ 9,515,000	N/A	4.625% UST due 10/31/2028	-10.0
44244CM61	11/15/2029	1.709	3,230,000	N/A	4.625% UST due 11/15/2029	-10.0
44244CM79	11/15/2030	1.909	730,000	N/A	4.750% UST due 10/31/2031	-10.0
44244CM87	11/15/2031	1.929	5,540,000	N/A	4.750% UST due 10/31/2031	-10.0
44244CM95	11/15/2032	2.009	5,550,000	11/15/2031	4.875% UST due 10/31/2033	-10.0
44244CN29	11/15/2033	2.209	630,000	11/15/2031	4.875% UST due 10/31/2033	-5.0
44244CN45	11/15/2035	2.409	15,000	11/15/2031	5.000% UST due 11/15/2036	+0.0
44244CN52	11/15/2036	2.459	8,940,000	11/15/2031	5.000% UST due 11/15/2036	+10.0
44244CN60	11/15/2037	2.509	10,430,000	11/15/2031	5.000% UST due 11/15/2036	+15.0
44244CN78	11/15/2038	2.599	4,220,000	11/15/2031	5.000% UST due 11/15/2036	+25.0

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(2) Certain Taxable Target Bonds are also subject to make-whole redemption as described in the original offering documents.

(3) The yield on the Benchmark Treasury Security to be used in establishing the Purchase Yield and the Purchase Price for the Taxable Target Bonds will be based on the bid-side price of the Benchmark Treasury Security as quoted on the Bloomberg FIT series of pages at 10:00 a.m. on December 2, 2026.

(4) The Purchase Price to be paid on the Settlement Date excludes Accrued Interest to the Settlement Date on the Taxable Target Bonds tendered for purchase.

PROVISIONS APPLICABLE TO THE OFFER

The consummation of the Tender Offer is subject to certain conditions, including, without limitation, the Financing Conditions. See "INTRODUCTION—Financing Conditions" and "TERMS OF THE OFFER— Conditions to Purchase for Cash" herein.

The 2026B POS will be made available: (i) at the EMMA Website, using the CUSIP numbers for the Target Bonds listed in Table 1 and Table 2 of this Invitation; and (ii) by posting electronically on the Information Agent and Tender Agent's website at *www.globic.com/houston.*

IMPORTANT INFORMATION

This Invitation and other information with respect to the Tender Offer will be available from RBC Capital Markets, LLC and Raymond James & Associates, Inc. (each a "Dealer Manager," and collectively, the "Dealer Managers") and Globic Advisors Inc. (the "Information Agent and Tender Agent") at http://emma.msrb.org and on the Information Agent and Tender Agent's website at www.globic.com/houston. Bondholders wishing to tender their Target Bonds for purchase for consideration in the form of cash pursuant to the Tender Offer should follow the procedures described in this Invitation. The City in its sole discretion reserves the right to cancel or modify the Tender Offer at any time on or prior to the Offer Expiration Date and reserves the right to make a future tender offer at prices different than the prices described herein. The City will have no obligation to purchase Target Bonds tendered if any such cancellation or modification occurs and reserves the right to accept or reject nonconforming tenders or waive irregularities in any tender. The City reserves the right to defease or refund Untendered Bonds with available funds of the City and/or through the issuance of additional System Obligations or otherwise, as further described in the 2026B POS. The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions that are anticipated to occur after the Offer Expiration Date but prior to the Settlement Date.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TENDER OFFER OR PASSED UPON THE FAIRNESS OR MERITS OF THE TENDER OFFER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

None of the City, either Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder's Target Bonds pursuant to the Tender Offer. Each Bondholder must make these decisions and should read this Invitation in its entirety and consult with its broker-dealer, financial, legal, accounting, tax and other advisors in making these decisions.

This Invitation is not being extended to, and Target Bonds tendered in response to the Offer will not be accepted from or on behalf of, Bondholders in any jurisdiction in which the Tender Offer or such acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdictions where the securities, "blue sky" or other laws require the Tender Offer to be made through a licensed or registered broker or dealer, the Tender Offer shall be deemed to be made on behalf of the City through either Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including the 2026B POS, and, if given or made, such information or representation may not be relied upon as having been authorized by the City.

In addition to their role as Dealer Managers for the Target Bonds, RBC Capital Markets, LLC and Raymond James & Associates, Inc. are also serving as Underwriters (as part of a syndicate of underwriters) for the Series 2026B Bonds to be issued by the City as described in the 2026B POS.

The delivery of this Invitation shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the City since the date hereof.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

FORWARD-LOOKING STATEMENTS

This Invitation contains statements relating to future results that are "forward-looking statements." When used in this Invitation, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements, including those risks described under "ADDITIONAL CONSIDERATIONS" herein.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements included in this Invitation are based on information available to the City on the date of this Invitation. The City does not undertake any obligation to issue any updates or revisions (whether as a result of new information, future events, or otherwise) to those forward-looking statements if or when changes to its expectations or events, conditions or circumstances on which such statements are based occur.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR TARGET BONDS, BONDHOLDERS MUST READ THIS INVITATION IN ITS ENTIRETY AND ALL DOCUMENTS INCORPORATED BY REFERENCE HEREIN.

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Appendix A: Solicitation Fee Payment Request Form

INVITATION TO TENDER
MADE BY
CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM

to the Bondholders described herein of all or any portion of the maturities and corresponding CUSIP Numbers listed on pages *(ii)* – *(v)* herein relating to the:

City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2017B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2018D
City of Houston, Texas Combined Utility System First Lien Revenue Bonds, Taxable Series 2018E
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2019B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2019C
City of Houston, Texas Combined Utility System First Lien Revenue and Refunding Bonds, Series 2020C
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2020D
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2021A
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2021B

INTRODUCTION

General

This Invitation to Tender, dated November 13, 2026 (as it may be amended or supplemented, this "**Invitation**"), describes an offer by the City of Houston, Texas ("**City**"), with the assistance of RBC Capital Markets, LLC and Raymond James & Associates, Inc., as co-dealer managers (each a "**Dealer Manager**," and collectively, the "**Dealer Managers**"), to the beneficial owners (the "**Bondholders**") of the maturities set forth in the tables on pages (ii) – (v) (collectively, the "**Target Bonds**"), to tender such Target Bonds for purchase for consideration in the form of cash as follows (the "**Tender Offer**" or the "**Offer**"):

(a) with respect to each such maturity of the federally tax-exempt Target Bonds listed in Table 1 on pages (ii) – (iii) of this Invitation (the "**Tax-Exempt Target Bonds**"), at the purchase price (each, a "**Purchase Price**") set forth in the applicable table; and

(b) with respect to each maturity of the federally taxable Target Bonds listed in Table 2 on pages (iv) – (v) of this Invitation (the "**Taxable Target Bonds**"), at the Purchase Price to be determined based on the applicable fixed spread (each, a "**Fixed Spread**") to be added to the yield on the relevant benchmark United States Treasury Security (each, a "**Benchmark Treasury Security**") on the Taxable Target Bonds of the maturity corresponding thereto tendered for purchase; the "**Fixed Spread**" for each maturity and corresponding CUSIP number of the Taxable Target Bonds is listed on pages (iv) – (v) of this Invitation.

In each case, interest on purchased Target Bonds accruing from the most recent interest payment date to but excluding the Settlement Date ("**Accrued Interest**") will also be paid on the Settlement Date. See "TERMS OF THE OFFER—Information to Bondholders" and "INTRODUCTION—Consideration for Tender Offer" herein.

The source of funds to purchase Target Bonds validly tendered for cash purchase pursuant to the Tender Offer, including Accrued Interest, is expected to be the proceeds of the City's Combined Utility System First Lien Revenue Refunding Bonds, Series 2026B (the "**Series 2026B Bonds**") and, at the City's sole discretion and determination, may be supplemented with available funds from the City.

The Series 2026B Bonds are expected to be issued in the manner, on the terms and with the security therefor described in the Preliminary Official Statement, dated November 13, 2026, incorporated herein by reference (the **"2026B POS"**), as completed by a final official statement. The purchase of any Target Bonds tendered pursuant to the Tender Offer is contingent on the issuance of the Series 2026B Bonds. The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the 2026B POS.

The Target Bonds and the City's other outstanding Combined Utility System Revenue Obligations (together with any future issuance by the City of such obligations, the "**System Obligations**") were issued pursuant to and secured by a Master Ordinance adopted by the City Council of the City on April 21, 2004 (the "**2004 Master Ordinance**"). On November 4, 2026, the City adopted an amended and restated Master Ordinance (the "**Master Ordinance**") modifying the 2004 Master Ordinance, among other things, to require monthly deposits to the First Lien Bond Interest and Sinking Fund and the Second Lien Bond Interest and Sinking Fund for the payment of debt service on outstanding System Obligations. The Master Ordinance was adopted by the City in connection with the City's intention to finance capital improvements to the System through the issuance of System Obligations, which are equally and ratably payable from and secured by a lien on Net Revenues collected and received by the City after payment of all Maintenance and Operation Expenses of the System. Such amendments, among other amendments within the Master Ordinance (but not the Springing Amendments described in the following paragraph), are collectively referred to as the "**Ordinance Amendments**.

Additionally, on November 4, 2026, the City adopted an ordinance authorizing the Series 2026B Bonds (the "**Series 2026B Supplemental Ordinance**") that makes certain modifications to the Master Ordinance that will not become effective until the City has obtained the consent of Owners holding a majority of aggregate principal amount of the System Obligations outstanding (the "**Springing Amendments**."). The Springing Amendments will: (i) revise the rating requirements for reserve fund surety policies and (ii) address matters related to the flow of funds to provide for the transfer of certain amounts required to pay the costs of using public streets for utility operations (the "**Right of Way Fee**" or "**ROW Fee**") all as described in the 2026B POS. As of the date of this Invitation, the City is seeking consent from bondholders of outstanding System Obligations to the Springing Amendments. Series 2026B bondholders will be deemed to have consented to the Springing Amendments upon delivery of the Series 2026B Bonds. The City is also considering issuing on or prior to its issuance of the 2026B Bonds its Combined Utility System First Lien Revenue Refunding Bonds, Series 2026C (the "**Series 2026C Bonds**") and Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2026D (the "**Series 2026D Bonds**" and, together with the Series 2026C Bonds, the "**2026C/D Bonds**") for authorized purposes under the Master Ordinance. **The proceeds of the 2026C/D Bonds will not be a source of funds for the purchase of Target Bonds by the City.** The holders of the 2026C/D Bonds will also be deemed to have consented to the Springing Amendments upon the delivery of the 2026C/D Bonds. Upon the City's receipt of consents to the Springing Amendments from holders of a majority in the aggregate of unpaid principal amount of System Obligations outstanding, the Springing Amendments will become effective.

More information on the Ordinance Amendments, the Springing Amendments, and the Series 2026B Bonds can be found in the 2026B POS. More information about the 2026C/D Bonds may be found in the offering document related thereto.

Subject to the terms and conditions of the Tender Offer, the City may purchase validly tendered (and not withdrawn) Target Bonds on December 17, 2026, unless extended by the City (such date, as it may be extended, being the "**Settlement Date**"), assuming all conditions to the Tender Offer have been satisfied or waived by the City.

The City is offering its Series 2026B Bonds to fund, among other things, the Purchase Prices of the Target Bonds, plus all or a portion of Accrued Interest on the Target Bonds tendered for purchase. The Series 2026B Bonds will be issued pursuant to and secured by (i) the Master Ordinance, (ii) the Series 2026B Supplemental Ordinance, and (iii) an officers' pricing certificate authorized by the Series 2026B Supplemental Ordinance (the "**2026B Officers' Pricing Certificate**") (collectively, the "**2026 Ordinance**").

Financing Conditions

Notwithstanding any other provision of this Invitation, the consummation of the Tender Offer and the City's obligation to accept for purchase any bonds validly tendered (and not validly withdrawn) by Bondholders ("**Tendered Bonds**"), and its obligation to pay the Purchase Price of the Tendered Bonds and accepted pursuant to this Invitation are subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date:

(a) the issuance of the Series 2026B Bonds pursuant to the 2026 Ordinance, (the "**Proposed Financing**") and receipt of the approval of the Series 2026B Bonds by the Attorney General of the State of Texas, the proceeds of which are expected to be sufficient to (i) refund certain outstanding bonds and notes of the City as

described in the 2026B POS; (ii) fund with cash the Purchase Prices of all Target Bonds validly tendered and accepted pursuant to the Tender Offer together with all or a portion of Accrued Interest on the Target Bonds tendered for purchase for cash; and (iii) pay all fees and expenses associated with the Proposed Financing and the Tender Offer;

(b) the City obtaining satisfactory and sufficient economic benefit as a result of the consummation of the Tender Offer when taken together with the Proposed Financing ((a) and (b) collectively, the "**Financing Conditions**"), all on terms and conditions that are in the City's best interest; and

(c) the other conditions set forth in "Terms of the Offer—Conditions to Purchase for Cash."

The City reserves the right, subject to applicable law, to amend or waive any of the conditions to the Tender Offer, in whole or in part, at any time prior to the Offer Expiration Date (as defined herein) or from time to time.

THIS INVITATION MAY BE WITHDRAWN BY THE CITY AT ANY TIME PRIOR TO THE SETTLEMENT DATE IF THE CONDITIONS SET FORTH HEREIN ARE NOT SATISFIED OR WAIVED BY GIVING NOTICE OF SUCH CANCELLATION TO THE INFORMATION AGENT AND TENDER AGENT AND POSTING SUCH NOTICE ON EMMA. THE CITY RESERVES THE RIGHT TO DETERMINE WHETHER EACH CONDITION TO THE TENDER OFFER HAS BEEN SATISFIED AND TO DETERMINE WHETHER TO WAIVE ANY SUCH CONDITION.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR TARGET BONDS, BONDHOLDERS MUST READ THIS INVITATION IN ITS ENTIRETY AND ALL DOCUMENTS INCORPORATED BY REFERENCE HEREIN.

None of the City, the Dealer Managers, or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder's Target Bonds for purchase. Bondholders must make these decisions and should read this Invitation and consult with their broker, account executive, financial advisor and/or other appropriate professionals in making these decisions.

Subject to the terms of the Tender Offer, the City will purchase for cash all or a portion of the Target Bonds (a) validly tendered and not withdrawn (as described below) by 5:00 p.m., New York City time, on November 30, 2026 (as such date may be extended from time to time in accordance with this Invitation, the "**Offer Expiration Date**"), and (b) accepted by the City on December 2, 2026 (as such date may be extended from time to time in accordance with this Invitation, the "**Offer Acceptance Date**"), assuming all conditions to the Tender Offer have then been satisfied or waived by the City.

Bondholders whose validly tendered (and not withdrawn) Target Bonds are accepted for purchase by the City will receive Accrued Interest on such Target Bonds from their last interest payment date to but not including the Settlement Date. The source of funds to purchase the Target Bonds validly tendered for purchase in consideration for cash pursuant to the Tender Offer will be proceeds of the Series 2026B Bonds and may be supplemented by available funds from the City in its sole discretion and determination.

In the event all conditions to the Offer are not satisfied or waived by the City on or prior to the Settlement Date, all Target Bonds tendered pursuant to the Offer shall be returned to their Bondholders.

BONDHOLDERS OF TARGET BONDS WHO DO NOT TENDER ANY TARGET BONDS PURSUANT TO THE TENDER OFFER, AND BONDHOLDERS OF TARGET BONDS WHOSE VALIDLY TENDERED AND NOT WITHDRAWN TARGET BONDS ARE NOT ACCEPTED BY THE CITY FOR PURCHASE, WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE "*UNTENDERED BONDS*"). SUCH UNTENDERED BONDS WILL REMAIN OUTSTANDING UNDER THE MASTER ORDINANCE, THE SPRINGING AMENDMENTS UPON THEIR EFFECTIVENESS WILL BECOME APPLICABLE TO SUCH UNTENDERED BONDS, AND THE UNTENDERED BONDS MAY HAVE REDUCED LIQUIDITY AND MARKET VALUE TO THE EXTENT THE OVERALL PAR AMOUNT OF AN OUTSTANDING MATURITY AND CORRESPONDING CUSIP NUMBER IS REDUCED ON ACCOUNT OF THE TENDER OFFER. THE CITY RESERVES THE RIGHT TO DEFEASE OR REFUND REMAINING PORTIONS OF

ANY UNTENDERED BONDS WITH AVAILABLE FUNDS OF THE CITY, INCLUDING THROUGH THE ISSUANCE OF ADDITIONAL SYSTEM OBLIGATIONS OR OTHERWISE. SEE "INTRODUCTION—TARGET BONDS NOT PURCHASED; POTENTIAL ADVERSE EFFECTS," "ADDITIONAL CONSIDERATIONS" HEREIN AND THE 2026B POS.

Consideration for Tender Offer

Offer Purchase Prices for the Tax-Exempt Target Bonds. The Offer Purchase Prices are set forth in Table 1 of this Invitation for each respective maturity and corresponding CUSIP number of Tax-Exempt Target Bonds tendered and accepted for purchase pursuant to this Invitation.

Determination of Offer Purchase Prices for the Taxable Target Bonds. The applicable Fixed Spread, as set forth in Table 2 for each Taxable Target Bond, represents the yield, expressed as an interest rate percentage added to the yield on the relevant Benchmark Treasury Security (set forth on pages (iv) – (v) of this Invitation), to be used in establishing the Purchase Price for each maturity and corresponding CUSIP number of the Taxable Target Bonds. The applicable Fixed Spread will be added to the yield on the relevant Benchmark Treasury Security for each maturity and corresponding CUSIP number. The yield on each Benchmark Treasury Security (the "**Treasury Security Yield**") will be based on the bid-side price of the Benchmark Treasury Security as quoted on the Bloomberg FIT series of pages at 10:00 a.m. on December 2, 2026. The applicable Fixed Spread for each maturity and corresponding CUSIP number of the Taxable Target Bonds will be added to the relevant Treasury Security Yield corresponding thereto to arrive at a yield for each such maturity and CUSIP number (each, a "**Purchase Yield**").

The Purchase Yields will be used to calculate the Purchase Prices for the Taxable Target Bonds. The Purchase Prices for the Taxable Target Bonds will be, in accordance with standard market practice, (i) the sum of the present value of all remaining scheduled principal and interest payments on the applicable Target Bonds on the Settlement Date, discounting each such scheduled principal and interest payment from the date that each such payment would have been payable but for the purchase of the applicable Target Bonds to the Settlement Date at a discount rate equal to the related Purchase Yield on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), minus Accrued Interest up to but not including the Settlement Date, divided by (ii) the par amount of such Target Bonds. The City will publish a Notice of Taxable Target Bonds Purchase Prices that contains this information on December 2, 2026.

Source of Funds to Purchase Target Bonds and Pay Accrued Interest

The source of funds to purchase the Target Bonds validly tendered for cash purchase pursuant to the Tender Offer, including all or a portion of Accrued Interest, is expected to be the proceeds of the Series 2026B Bonds. The City reserves the right to supplement the Series 2026B Bond proceeds with available funds from the City to be paid on the Settlement Date at the City's sole discretion and determination. The Series 2026B Bonds are described in the 2026B POS. **The proceeds of the 2026C/D Bonds will not be a source of funds for the purchase of Target Bonds by the City.** More information about the 2026C/D Bonds may be found in the offering document related thereto.

THE PURCHASE OF ANY TARGET BONDS TENDERED PURSUANT TO THE TENDER OFFER IS CONTINGENT ON THE ISSUANCE BY THE CITY OF THE SERIES 2026B BONDS AND IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS (AS DESCRIBED HEREIN), INCLUDING, WITHOUT LIMITATION, THE FINANCING CONDITIONS.

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the City, the Dealer Managers, or the Information Agent and Tender Agent in connection with the Tender Offer. However, Bondholders should check with their broker, bank, account executive or other financial institution which maintains the account in which their Target Bonds are held (their "**Financial Representative**") to determine whether their Financial Representative will charge any commissions or fees as described in section "SOLICITING DEALER FEES; ELIGIBLE INSTITUTIONS ARE NOT AGENTS" herein.

Target Bonds Not Purchased; Potential Adverse Effects

Any Untendered Bonds will continue to be outstanding, and payable and secured, pursuant to the terms of the Master Ordinance, including the Springing Amendments, when effective. Although not the primary intent of the City, subject to the results of the Tender Offer, market conditions, and certain other factors described in the 2026B POS, the City may consider defeasing a portion of certain maturities of Target Bonds to their respective optional redemption dates or maturities should the City determine it to be required or desirable for structuring purposes. Additionally, the City reserves the right to refund some, none or all of the Untendered Bonds through the issuance of additional System Obligations or otherwise. More information regarding such refunding can be found in the 2026B POS.

To the extent Target Bonds are not purchased pursuant to this Tender Offer, the City reserves the right to, and may in the future decide to, acquire some or all of the Untendered Bonds through open market purchases, privately negotiated transactions, subsequent tender offers or otherwise, upon such terms, at such prices and for cash or other consideration as it may determine, which may be more or less than the consideration offered pursuant to the Tender Offer. Any future acquisition of Target Bonds may be on the same terms or on terms that are more or less favorable to bondholders than the terms described in this Tender Offer. The City also reserves the right in the future to refund (on an advance or current basis) any remaining portion of Untendered Bonds through the issuance of publicly offered or privately placed bonds. The decision to undertake any such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the City may ultimately choose to pursue in the future.

Any purchase by the City of Target Bonds of any CUSIP number including, without limitation, purchase pursuant to the Tender Offer, may have certain potential adverse effects on bondholders of Untendered Bonds, including the following:

- The principal amount of the Target Bonds of that CUSIP number available to trade publicly will be reduced, which could adversely affect the liquidity and market value of the Untendered Bonds of that maturity and CUSIP number that remain outstanding; and

- Target Bonds of a maturity may currently be included in benchmark bond indices, which inclusion may change if Target Bonds tendered and accepted by the City for purchase reduce the par amount of that maturity outstanding below relevant index threshold.

Purchased Target Bonds Will be Cancelled by the City

The City will cause all Target Bonds purchased pursuant to the Offer to be delivered to the applicable paying agent/registrar for cancellation on the Settlement Date.

Dealer Managers, Information Agent and Tender Agent

RBC Capital Markets, LLC and Raymond James & Associates, Inc. are the dealer managers for the Tender Offer (the "**Dealer Managers**"). Investors in the U.S. with questions about the Tender Offer should contact the Dealer Managers or Globic Advisors Inc., which serves as Information Agent and Tender Agent (the "**Information Agent and Tender Agent**" or the "**Tender Agent**") for the Tender Offer, at the addresses and telephone numbers set forth on the back cover of this Invitation.

In addition to their role as Dealer Managers for the Target Bonds, RBC Capital Markets, LLC and Raymond James & Associates, Inc., are also serving as Underwriters (as part of a syndicate of underwriters) for the Series 2026B Bonds to be issued by the City as described in the 2026B POS.

Prevailing Time

All times in this Invitation are New York City time.

TERMS OF THE OFFER

Offer Expiration Date

The Offer will expire at 5:00 p.m., New York City time, on the Offer Expiration Date, unless earlier terminated or extended, as described in this Invitation. Target Bonds tendered after 5:00 p.m., New York City time, on the Offer Expiration Date and prior to the acceptance of offers by the City as described below under the heading "—Acceptance of Offers for Purchase Constitutes Irrevocable Agreement; Notice of Acceptance" will not be accepted by the City for purchase, except in the sole discretion of the City. See "—Extension, Termination and Amendment of the Tender Offer; Changes to Terms" below for a discussion of the City's ability to extend the Offer Expiration Date and to terminate or amend the Tender Offer.

Offers Only Through the City's ATOP Account

The Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company ("**DTC**"). The City, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program ("**ATOP**") account at DTC for the Offer promptly after the date of this Invitation. Bondholders who wish to accept the Tender Offer may do so through the City's ATOP account.

ALL TENDERS PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE OFFER EXPIRATION DATE MUST BE MADE THROUGH THE CITY'S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE FOR CASH THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE OFFER.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the City's ATOP account relating to the Tender Offer, series, maturity, and CUSIP number in accordance with DTC's procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to the Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the City's ATOP account. To ensure a Bondholder's Target Bonds are tendered to the City's ATOP account by 5:00 p.m., New York City time, on the Offer Expiration Date, the Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the City's ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the City's ATOP account by 5:00 p.m., New York City time, on the Offer Expiration Date.

Concurrently with the delivery of Target Bonds through book-entry transfer into the City's ATOP account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the City's ATOP account by no later than 5:00 p.m., New York City time, on the Offer Expiration Date, provided, however, a tender of Target Bonds related to an Agent's Message transmitted to the City's ATOP account after such time may be accepted by the City if the City, in its sole discretion, waives the defect in the timing of the delivery of such message. The confirmation of a book-entry transfer to the City's ATOP account as described above is referred to herein as a "***Book-Entry Confirmation***." The term "***Agent's Message***" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the DTC participant tendering Target Bonds that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Target Bonds that have been tendered by such participant pursuant to the Tender Offer, and to the effect that such participant agrees to be bound by the terms of the Tender Offer.

By causing DTC to transfer Target Bonds into the City's ATOP account, a financial institution warrants to the City that it has full authority, and has received from the Bondholder(s) of such Target Bonds all direction necessary, to tender, transfer and sell such Target Bonds as set forth in this Invitation.

The City, the Dealer Managers, and the Information Agent and Tender Agent are not responsible for the transfer of any tendered Target Bonds to the City's ATOP account or for any mistakes, errors or omissions in the transfer of any tendered Target Bonds.

Information to Bondholders

The City may give information about the Tender Offer to the market and Bondholders by delivery of the information to the following institutions: the Municipal Securities Rulemaking Board through EMMA and to DTC. These institutions, together with the Information Agent and Tender Agent are collectively referred to herein as the "**Information Services**." The Information Agent and Tender Agent will deliver information provided to it by the City through its website, *www.globic.com/houston*. Delivery by the City of information to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

The City, the Dealer Managers, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Dealer Managers or the Information Agent and Tender Agent by contacting them using the contact information on the back cover page of this Invitation or by making appropriate arrangements with its account executive or directly with the Information Services.

Any updates to this Invitation, including, without limitation, any supplements to the 2026B POS, will be distributed through the Information Services. The final Official Statement with respect to the Series 2026B Bonds will be posted to EMMA.

Minimum Denominations

A Bondholder may tender Target Bonds for purchase for cash of a particular CUSIP number that it owns in an amount of its choosing, but in a principal amount of at least $5,000 (the "**Minimum Authorized Denomination**") or any integral multiple in excess thereof. Bondholders who tender less than all of their Target Bonds must continue to hold Target Bonds in at least the Minimum Authorized Denomination.

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer with respect to the principal amount thereof is expected to be proceeds of the Series 2026B Bonds and may be supplemented by available funds from the City at the City's sole discretion and determination. The Series 2026B Bonds are described in the 2026B POS.

Depending on the Proration Factor (as defined below under " – Acceptance of Tenders") applied, if the principal amount of Target Bonds that is rejected and returned to a Bondholder as a result of proration would result in less than the Minimum Authorized Denomination , the City will either accept or reject all of such Bondholder's validly tendered Target Bonds. See "—Acceptance of Tenders."

Accrued Interest

The Purchase Prices of the tendered Target Bond will not be deemed to include any amount representing the interest which will have accrued on a tendered Target Bond of a particular CUSIP number from the last payment of interest thereon to but not including the Settlement Date. In addition to the Purchase Prices of the Target Bonds accepted for purchase for cash consideration by the City, Accrued Interest on such Target Bonds will be paid by, or on behalf of, the City to the tendering Bondholders on the Settlement Date.

Provisions Applicable to All Tenders

Need for Advice. A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Target Bonds of a particular CUSIP number, and (b) the principal amount of Target Bonds of such CUSIP number to be tendered. A Bondholder also should inquire as to whether its Financial

Representative or financial advisor will charge a fee for submitting tenders if the City purchases the Bondholder's tendered Target Bonds. The City, the Dealer Managers, and the Information Agent and Tender Agent will not charge a fee to any Bondholder in connection with the Tender Offer.

Need for Specificity of Tender. A tender cannot exceed the par amount of Target Bonds owned by the Bondholder and must include the following information: (1) the maturity(ies) and corresponding CUSIP number(s) of the Target Bond(s) being tendered, and (2) the principal amount of each CUSIP number being tendered must be stated in integral multiples of $5,000, and if not so stated, for tenders of less than all of the Bondholder's position in the Target Bonds, such principal amount will be reduced to the greatest integral multiple of $5,000.

The Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denominations and integral multiples in excess thereof described herein under the caption "—Minimum Denominations." Bondholders who tender less than all of their Target Bonds will continue to hold their Untendered Bonds in at least the applicable Minimum Authorized Denomination. No alternative, conditional or contingent tenders will be accepted.

ALL TENDERS PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE OFFER EXPIRATION DATE MUST BE MADE THROUGH THE CITY'S ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER. See "—Offers Only Through the City's ATOP Account."

General. A Bondholder may only tender Target Bonds it owns or controls. By tendering Target Bonds pursuant to the Tender Offer, a Bondholder will be deemed to have represented and agreed with the City as set forth below under "—Representations by Tendering Bondholders to the City." All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the City to the Information Services must make appropriate arrangements with their Financial Representatives or financial advisors, or the Information Agent and Tender Agent.

Representations by Tendering Bondholders to the City

By tendering Target Bonds, each tendering Bondholder will be deemed to have represented to and agreed with the City that:

(a) the Bondholder has received this Invitation and has had the opportunity to review it prior to making its decision to tender any Target Bonds, and agrees if the purchase for cash of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Invitation;

(b) the Bondholder has full power and authority to tender, sell, assign and transfer the tendered Target Bonds, and on the Settlement Date the City will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the applicable Purchase Price(s), as applicable, plus, in each such case, Accrued Interest;

(c) the Bondholder has made its independent decision to tender all or an eligible portion of its Target Bonds for purchase for cash consideration pursuant to the Tender Offer, as to the terms thereof, and such decisions are based upon the Bondholder's judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from the City or the Dealer Managers or the Information Agent and Tender Agent as investment advice or as a recommendation to tender any or all of the Bondholder's Target Bonds at the applicable Purchase Prices, it being understood that the information from the City and the Dealer Managers and the Information Agent and Tender Agent related to the terms and conditions of the Tender

Offer made pursuant to this Invitation shall not be considered investment advice or a recommendation to tender Target Bonds; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of the Tender Offer.

Determinations as to Form and Validity of Offer; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the City's ATOP account), form, eligibility, and acceptance of any Target Bonds tendered pursuant to the Tender Offer will be determined by the City in its sole discretion and such determinations will be final, conclusive and binding.

The City reserves the right to waive any irregularities or defects in any tender. The City, the Dealer Managers, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in tenders and they will have no liability for failing to give such notice.

Amendments or Withdrawals of Tenders Prior to Offer Expiration Date

A Bondholder may withdraw its Target Bonds tendered for purchase pursuant to this Invitation by causing a withdrawal notice to be transmitted via DTC's ATOP system to, and received by, the Information Agent and Tender Agent before 5:00 p.m., New York City time on November 30, 2026, (as such date may be extended from time to time in accordance with this Invitation, the "**Withdrawal Deadline**").

Bondholders who are not DTC participants can only withdraw their tendered Target Bonds by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondholder's notice of withdrawal through the DTC's ATOP system.

All tenders of the Target Bonds for purchase will become irrevocable as of 5:00 p.m., New York City time, on the Withdrawal Deadline.

A notice of withdrawal must be submitted in substantially the same manner as an initial tender of Target Bonds.

Bondholders who have tendered their Target Bonds will not receive any information from the City, the Dealer Managers or the Information Agent and Tender Agent concerning tenders by other Bondholders. Offering Bondholders will not be afforded an opportunity to amend their tender after 5:00 p.m., New York City time, on the Withdrawal Deadline. An amended or withdrawn tender must specify the applicable maturity and CUSIP number, and with respect to an amended tender, the principal amount previously tendered and the new amount being tendered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the City in its sole discretion and will be final, conclusive and binding.

Tenders of Target Bonds may be withdrawn prior to the Withdrawal Deadline. ALL TENDERS OF TARGET BONDS SHALL BE IRREVOCABLE UPON THE WITHDRAWAL DEADLINE.

Acceptance of Tenders

On December 1, 2026, the City will provide a Preliminary Notice of Acceptance, indicating the initial selection of Target Bonds accepted for purchase, which selection shall be subject to change until the Offer Acceptance Date. As of the Offer Acceptance Date, upon the terms and subject to the conditions of the Offer, as set forth in this Invitation, the City may elect to accept for purchase for cash consideration outstanding Target Bonds validly tendered pursuant to the Tender Offer (or defectively tendered, if such defect has been waived by the City), as identified for each maturity and corresponding CUSIP number in Table 1 or Table 2, with acceptance subject to the satisfaction or waiver by the City of the conditions to the purchase of tendered Target Bonds. See "—Acceptance of Offers for Purchase Constitutes Irrevocable Agreement; Notice of Acceptance" and "—Conditions to Purchase for Cash."

Should the City choose to purchase some but not all of a particular Target Bond maturity and CUSIP number, the City will accept those tendered Target Bonds on a pro rata basis reflecting the ratio (the "**Proration Factor**") of (a) the principal amount, if any, the City determines to purchase to (b) the aggregate principal amount of valid offers to sell that maturity and CUSIP number that were received. In such event, should the principal amount of any individual tender offer, when adjusted by the Proration Factor, result in an amount that is not a multiple of the Minimum Authorized Denomination, the principal amount of such offer will be rounded up to the nearest multiple of $5,000. If as a result of such adjustment, the principal amount of a Bondholder's unaccepted Target Bonds is less than the Minimum Authorized Denomination of $5,000, the City will either accept or reject all of such Bondholder's offer in whole. The City will determine the Proration Factor that permits it to accept the amount of Target Bonds it has determined to purchase.

The City intends to purchase Target Bonds at their respective Offer Purchase Prices in amounts expected to result in an economic benefit to the City, taking into account the City's debt profile and capacity following the tender of such Target Bonds. In order to meet the economic goals of the City while meeting these constraints, the City may choose to not accept some, all or none of the tendered Target Bonds. **Notwithstanding any other provision of this Invitation, the consummation of the Offer and the City's obligation to accept for purchase, and to pay cash for, as applicable, Target Bonds validly tendered (and not validly withdrawn) pursuant to the Offer are subject to the conditions set forth in "Conditions to Purchase for Cash" below. The City reserves the right, subject to applicable law, to amend or waive any of the conditions to the Offer, in whole or in part, at any time prior to the Offer Expiration Date or from time to time, in its sole discretion. This Invitation may be withdrawn by the City at any time prior to the Offer Expiration Date.**

Acceptance of Offers for Purchase Constitutes Irrevocable Agreement; Notice of Acceptance

Acceptance by the City of Target Bonds tendered will constitute an irrevocable agreement between the tendering Bondholder to sell and the City to purchase such Target Bonds for cash, subject to satisfaction of all conditions to the City's obligation to purchase for cash consideration, as applicable, tendered Target Bonds and the other terms of the respective Offer. See "—Minimum Denominations" above and "—Conditions to Purchase for Cash" below.

The acceptance of Target Bonds tendered is expected to be made by notification to the Information Services on the Offer Acceptance Date. This notification will state the principal amount of the Target Bonds of each CUSIP number that the City has agreed to purchase for cash consideration, as applicable, in accordance with this Invitation, which may be zero for a particular CUSIP number.

Following the publication of the Notice of Acceptance of Target Bonds Tendered for Purchase, all Target Bonds that were tendered but were not accepted for purchase will be released and returned to the tendering institution in accordance with DTC's ATOP procedures. None of the City, the Dealer Managers or the Information Agent and Tender Agent is responsible or liable for the operation of the ATOP system by DTC to properly credit such returned Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondholder.

Settlement Date; Purchase for Cash of Target Bonds

Subject to satisfaction of all conditions to the City's obligation to purchase tendered Target Bonds for cash consideration, as applicable, and as described herein, including, without limitation, the Financing Conditions, the Settlement Date is the day on which Target Bonds accepted for purchase for cash will be purchased at the applicable Purchase Price(s), together with Accrued Interest thereon in each case. The Settlement Date will occur following the Offer Acceptance Date, subject to all conditions to the Tender Offer having been satisfied or waived by the City. The expected Settlement Date is December 17, 2026, unless extended by the City, assuming all conditions to the Tender Offer have been satisfied or waived by the City. Bondholders whose Target Bonds are accepted on the Settlement Date will receive Accrued Interest.

The City may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See "—Conditions to Purchase for Cash."

Subject to satisfaction of all conditions to the City's obligation to purchase Target Bonds tendered for purchase pursuant to the Offer, as described herein, payment by the City, or on the City's behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest on the Target Bonds accepted for purchase. The City expects that, in accordance with DTC's standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest) in immediately available funds to each of its participant financial institutions holding the Target Bonds accepted for purchase on behalf of Bondholders for delivery to the Bondholders.

The City, the Dealer Managers, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Prices plus Accrued Interest by DTC to the Bondholders.

Source of Purchase and Accrued Interest Funds

The source of funds to purchase the Target Bonds validly tendered for cash purchase pursuant to the Tender Offer (including Accrued Interest) is expected to be proceeds of the Series 2026B Bonds and may be supplemented by available funds from the City at the City's sole discretion and determination.

THE PURCHASE OF ANY TARGET BONDS TENDERED PURSUANT TO THE TENDER OFFER IS CONTINGENT ON THE ISSUANCE BY THE CITY OF THE SERIES 2026B BONDS AND IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS (AS DESCRIBED HEREIN), INCLUDING, WITHOUT LIMITATION, THE FINANCING CONDITIONS.

On November 4, 2026, the City amended the 2004 Master Ordinance pursuant to which the System Obligations have been previously issued, to require provisions for monthly deposits to the First Lien Bond Interest and Sinking Fund and the Second Lien Bond Interest and Sinking Fund for the payment of debt service on Outstanding Obligations. The Ordinance Amendments are in connection with the City's intention to finance capital improvements to the System through the issuance of System Obligations under the Master Ordinance, which are equally and ratably payable from and secured by a lien on Net Revenues collected and received by the City after payment of all Maintenance and Operation Expenses of the System. Additionally, the Series 2026B Supplemental Ordinance contains the Springing Amendments. The Springing Amendments: (i) revise the rating requirements for reserve fund surety policies and (ii) address matters related to the flow of funds to provide for the monthly transfer of certain amounts required to pay the Right of Way Fee. The effectiveness of the Springing Amendments requires consent from not less than a majority in aggregate unpaid principal amount of System Obligations outstanding. The City is in the process of seeking consent from bondholders of outstanding System Obligations. Series 2026B bondholders will be deemed to have consented to the Springing Amendments upon delivery of the Series 2026B Bonds. The holders of the 2026C/D Bonds will also be deemed to have consented to the Springing Amendments upon the delivery of the 2026C/D Bonds. Upon the City's receipt of consents to the Springing Amendments from holders of a majority in the aggregate of unpaid principal amount of System Obligations outstanding, the Springing Amendments will become effective. More information on the Ordinance Amendments, the Springing Amendments, and the Series 2026B Bonds can be found in the 2026B POS. **The proceeds of the 2026C/D Bonds will not be a source of funds for the purchase of Target Bonds by the City**.

The purchase of any Target Bonds tendered in consideration of cash pursuant to the Tender Offer is contingent on the issuance by the City of the Series 2026B Bonds, as well as certain other conditions which must be satisfied on or prior to the Settlement Date (including, but not limited to, the Financing Conditions). The Series 2026B Bonds are described in the 2026B POS. See "INTRODUCTION—Financing Conditions" and "—Conditions to Purchase for Cash" for more information on the conditions precedent to the Offer.

Conditions to Purchase for Cash

In addition to the Financing Conditions (see "Introduction—Financing Conditions" herein), if after the Offer Acceptance Date, but prior to payment for Target Bonds accepted by the City on the Settlement Date, any of the following events should occur, the City will have the absolute right to cancel its obligations to purchase for cash consideration Target Bonds without any liability of the City to any Bondholder:

- Litigation or another proceeding is pending or threatened that the City reasonably believes may, directly or indirectly, have an adverse impact on either the Tender Offer or the expected benefits of either the Tender Offer to the City or the Bondholders;

- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the City reasonably believes this fact makes it inadvisable to proceed with the purchase of Target Bonds;

- A material change in the business or affairs of the City has occurred that the City reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

- A material change in the net economics of the transaction has occurred due to a material change in market conditions that the City reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

- There shall have occurred a material disruption in securities settlement, payment or clearance services; or

- If, for any reason, the Series 2026B Bonds are not issued.

These conditions (including the Financing Conditions) are for the sole benefit of the City and may be (a) asserted by the City prior to the time of payment of the Target Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions, (b) waived by the City in whole or in part at any time and from time to time in its discretion, or (c) exercised independently for each maturity (and corresponding CUSIP number) and interest rate on the Target Bonds. The failure by the City at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the City, which rights may be asserted at any time and from time to time prior to the time of payment for the Target Bonds it has agreed to purchase. Any determination by the City concerning the events described in this section will be final and binding upon all parties.

Extension, Termination and Amendment of the Tender Offer; Changes to Terms

Through and including the Offer Expiration Date, the City has the right to extend the Tender Offer, as to any or all of the Target Bonds, to any date in its sole discretion, provided that a notice of any extension of the Offer Expiration Date is given to the Information Services, including by posting such notice to EMMA on or about 9:00 a.m., New York City time, on the first business day after the Offer Expiration Date.

The City also has the right, prior to acceptance of Target Bonds tendered for purchase for cash consideration as described above under the heading "—Acceptance of Offers for Purchase Constitutes Irrevocable Agreement; Notice of Acceptance," to terminate the Tender Offer at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The City also has the right, prior to acceptance of Target Bonds tendered as described above under the heading "—Acceptance of Offers for Purchase Constitutes Irrevocable Agreement; Notice of Acceptance," to amend or waive the terms of the Tender Offer or otherwise modify this Invitation in any respect and at any time by giving notice to the Information Services, including by posting any notice on EMMA. This amendment or waiver will be effective at the time specified in such notice.

If the City extends the Tender Offer, or amends the terms or conditions of the Tender Offer (including a waiver of any term) in any material respect, the City may (but is not required to) disseminate additional Offer materials and extend the applicable Tender Offer to the extent required to allow reasonable time for dissemination to Bondholders and for Bondholders to respond.

If the City amends the terms of the Tender Offer to change a Fixed Price or Fixed Spread for any of the Target Bonds after the date of this Invitation, notice of such amendment will be given no later than two (2) Business Days

prior to the Offer Expiration Date, as extended to provide reasonable time for dissemination of such amendment to Bondholders and for Bondholders to respond.

In such event, any offers submitted with respect to the affected Target Bonds prior to the City providing notice of an Extension, Purchase Price(s) Amendment or any other amendment or waiver of the Tender Offer, shall remain in full force and effect. Any Bondholder of such affected Target Bonds wishing to revoke its offer to tender such Target Bonds must affirmatively withdraw such offer prior to the Withdrawal Deadline, as the same may be amended or extended.

No extension, termination or amendment of the Tender Offer (or waiver of any terms of the Tender Offer) will change the City's right to decline to purchase any Target Bonds without liability. See "—Conditions to Purchase for Cash."

The City, the Dealer Managers and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

The City's Instructions of Priority of Allocations of Series 2026B Bonds

The underwriting syndicate for the Series 2026B Bonds, when making allocations of the Series 2026B Bonds, may, but is not required to, take into consideration whether the party submitting an order for Series 2026B Bonds was a Bondholder who tendered Target Bonds for purchase pursuant to this Invitation. The City, at its discretion, may, but is not required to, direct the underwriting syndicate to give such Bondholder a preference allocation of Series 2026B Bonds up to the amount of Target Bonds that such Bondholder is tendering.

AVAILABLE INFORMATION

Certain information relating to the Target Bonds and the City may be obtained by contacting the Information Agent and Tender Agent at the contact information set forth on the last page of this Invitation. Such information is limited to (i) this Invitation, including the information set forth in the 2026B POS and (ii) information about the City available through EMMA. **Unless specified otherwise herein, no information available on EMMA is specifically incorporated into, and is not a part of, this Invitation.**

ADDITIONAL CONSIDERATIONS

In deciding whether to participate in the Tender Offer, each Bondholder should consider carefully, in addition to the other information contained in this Invitation, the following:

Market for Target Bonds

The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondholders may be able to effect a sale of the Target Bonds at a price higher than the Purchase Price(s) established in connection with the Tender Offer.

Treatment of Untendered Bonds

Target Bonds not validly tendered, and Target Bonds not accepted by the City, if any, pursuant to the Tender Offer will remain outstanding. Additionally, the City reserves the right to defease or refund some, none or all of the Untendered Bonds through the issuance of additional System Obligations or otherwise, as further described in the 2026B POS. If Target Bonds are purchased in the Tender Offer, the principal amount of Target Bonds for a particular maturity and corresponding CUSIP number that remains outstanding will be reduced, which reduction could adversely affect the liquidity and market value of those outstanding Untendered Bonds. Target Bonds of a maturity may currently be included in benchmark bond indices, which inclusion may change if Target Bonds tendered and accepted by the City for purchase reduce the par amount of that maturity outstanding below relevant index threshold.

The terms and conditions of the Untendered Bonds will continue to be governed by the terms of the Master Ordinance, including the Springing Amendments, if effective, and the redemption and call provisions, as applicable.

The City May Later Purchase Untendered Bonds at More Favorable Prices Than Those Established in the Tender Offer

The City reserves the right to, and may in the future decide to, acquire some or all of the Untendered Bonds for cash or other consideration through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which prices may be more or less than the Purchase Price(s) paid pursuant to the Tender Offer. Any future acquisition may be on the same terms or on terms that are more or less favorable to Bondholders than the terms of the Offer. The decision to make future purchases or exchanges by the City and the terms of such future purchases will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the City will ultimately choose to pursue in the future.

The City reserves the right to, and may decide in the future to purchase, exchange, refund, defease or redeem all or any remaining portion of outstanding Target Bonds. At this time, the City may consider other forms of refunding for untendered bonds, subject to market conditions. See the 2026B POS.

Timeliness of Offer and Availability of Bondholder

The Tender Offer will expire at 5:00 p.m., New York City time, on the Offer Expiration Date (currently scheduled for November 30, 2026), unless extended or terminated as herein provided. In the sole discretion of the City, Target Bonds tendered after 5:00 p.m., New York City time, on the Offer Expiration Date and prior to the acceptance of offers by the City may be accepted by the City for purchase for cash consideration, provided that such discretion will be applied uniformly to all late tenders of Target Bonds of the same maturity and corresponding CUSIP number.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General Matters

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) that tender their Target Bonds for cash. The discussion below is based upon the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury Regulation promulgated thereunder, and relevant rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. Prospective tendering Bondholders should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. The following discussion does not purport to address U.S. tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in the Target Bonds or the Series 2026B Bonds in light of the investor's particular circumstances or to certain types of investors subject to special treatment under the U.S. federal income tax laws (including individuals who are neither citizens nor residents of the United States; foreign corporations, trusts and estates, in each case, as defined for U.S. federal income tax purposes; insurance companies; tax-exempt organizations; financial institutions; brokers-dealers; partnerships and other entities classified as partnerships for U.S. federal income tax purposes; and persons who have hedged the risk of owning the Target Bonds). This summary also does not consider the taxation of the Target Bonds under state, local, or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to Bondholders who will hold their Target Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Target Bonds other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a Bondholder of a Target Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created

or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States "persons" (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust).

The discussion does not deal with special classes of beneficial owners of the Target Bonds or the Series 2026B Bonds, such as dealers or traders in securities, investors that elect mark to market accounting, banks, financial institutions, insurance companies, retirement plans or other tax-deferred or tax advantaged accounts, tax-exempt organizations, partnerships or other pass-through entities (or entities treated as such for U.S. federal income tax purposes), U.S. expatriates, persons holding Target Bonds or Series 2026B Bonds as a part of a hedging, integration, conversion or constructive sale transaction or a straddle, U.S. Holders and are subject to the alternative minimum tax, U.S. Holders that have a functional currency other than the U.S. Dollar, and persons who are not U.S. Holders (all of such holders of the Target Bonds or the Series 2026B Bonds should consult their tax advisors).

If a partnership or other flow-through entity holds Target Bonds or the Series 2026B Bonds, the tax treatment of the partner in the partnership or beneficial owner of the flow-through entity generally will depend upon the status of the partner or beneficial owners and upon the activities of the partnership or flow-through entity. A partner of a partnership or a beneficial owner of a flow-through entity holding the Target Bonds or the Series 2026B Bonds should consult their own tax advisors regarding the tax consequences of this Invitation to Tender.

ANY FEDERAL INCOME TAX DISCUSSIONS IN THIS INVITATION ARE INCLUDED FOR GENERAL INFORMATION ONLY AND SHOULD NOT BE CONSTRUED AS A TAX OPINION NOR TAX ADVICE TO BONDHOLDERS BY THE CITY, THE DEALER MANAGERS, THE INFORMATION AGENT AND TENDER AGENT, OR ANY OF THE CITY'S ADVISORS OR AGENTS. SUCH DISCUSSIONS ALSO DO NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO PARTICULAR BONDHOLDERS (E.G., A FOREIGN PERSON, BANK, THRIFT INSTITUTION, PERSONAL HOLDING COMPANY, TAX EXEMPT ORGANIZATION, REGULATED INVESTMENT COMPANY, INSURANCE COMPANY, OR OTHER BROKER OR DEALER IN SECURITIES OR CURRENCIES). BONDHOLDERS SHOULD NOT RELY ON SUCH DISCUSSIONS AND ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO TENDERS OF TARGET BONDS, INCLUDING THE EFFECT OF POSSIBLE CHANGES IN THE TAX LAWS. IN ADDITION TO FEDERAL TAX CONSEQUENCES, THE SALE OF TARGET BONDS MAY BE TREATED AS A TAXABLE EVENT FOR STATE, LOCAL, AND FOREIGN TAX PURPOSES.

Tendering U.S. Holders

The purchase by the City for cash of a validly tendered Target Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder will recognize gain or loss equal to the difference between (a) the amount of cash received (except to the extent attributable to Accrued Interest on the Target Bond, which will be taxed as ordinary interest income) and (b) the U.S. Holder's adjusted U.S. federal income tax basis in the Target Bond. Any such gain or loss generally will be capital gain or loss (either long-term or short-term, depending on the U.S. Holder's holding period for the tendered Target Bonds) or may be ordinary income or loss. U.S. Holders should consult their own tax advisors regarding the treatment of capital gains, which may be taxed at lower rates than ordinary income for taxpayers who are not corporations, and losses, the deductibility of which is subject to limitation.

Backup Withholding

Amounts paid to Bondholders may be subject to backup withholding by reason of the events specified by Section 3406 of the Code, which events include failure of a Bondholder to supply the broker, dealer, commercial bank, or trust company acting on behalf of such Bondholder with such Bondholder's taxpayer identification number certified under penalty of perjury. Certification can be made by completing a substitute IRS Form W-9. Backup withholding may also apply to Bondholders who are otherwise exempt from such backup withholding if such Bondholders fail to properly document their status as exempt recipients.

SOLICITING DEALER FEES; ELIGIBLE INSTITUTIONS ARE NOT AGENTS

The City agrees to pay or cause to be paid to any commercial bank or trust company having an office, branch or agency in the United States, and any firm which is a member of a registered national securities exchange or of the Financial Industry Regulatory Authority (an "**Eligible Institution**"), a solicitation fee of $1.25 per $1,000 on the principal amount of Target Bonds purchased for cash from each of its Retail Customers by the City pursuant to the Offer. A "**Retail Customer**" is an individual who owns less than $250,000 principal amount of Target Bonds and manages his or her own investments or whose investments are managed by an investment manager or bank trust department that holds the investments of that individual in a separate account in the name of that individual.

The Solicitation Fee Payment Request Form, attached hereto as **Appendix A**, must be returned to the Information Agent and Tender Agent no later than 7:00 p.m., New York City time, on the Offer Expiration Date, unless earlier terminated or extended. No payment of a solicitation fee will be made on requests received after this time. No solicitation fee will be paid on improperly submitted requests or for Untendered Bonds.

Eligible Institutions are not agents of the City for the Offer.

DEALER MANAGERS

The City has retained each Dealer Manager to act on its behalf for the Tender Offer. The City will pay the Dealer Managers customary fees for their services and to reimburse the Dealer Managers for their reasonable out-of-pocket costs and expenses relating to the Offer. References in this Invitation to the Dealer Manager are to RBC Capital Markets, LLC and Raymond James & Associates, Inc. only in their capacity as the Dealer Managers.

The Dealer Managers may contact Bondholders of the Target Bonds regarding the Tender Offer and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Dealer Managers and each of their affiliates together comprise full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Managers and each of their affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Managers and each of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and other financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the City, including the Target Bonds. As of the date of the Tender Offer, the affiliates of the Dealer Managers may hold Target Bonds in the ordinary course of business as a market maker. Affiliates of the Dealer Managers may have holdings of Target Bonds that they are unable to disclose for legal or regulatory reasons. In the event the Dealer Managers own any of the Target Bonds, the Dealer Managers, or any of their respective affiliates, may each participate in the tender of such Target Bonds pursuant to the Tender Offer.

The Dealer Managers are not acting as a financial or municipal advisor to the City in connection with the Tender Offer.

INFORMATION AGENT AND TENDER AGENT

As authorized by the Series 2026B Supplemental Ordinance, Globic Advisors Inc. has been retained to act as Information Agent and Tender Agent for the Tender Offer. The City has agreed to pay, or cause to be paid, the customary fees of the Information Agent and Tender Agent and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses incurred in connection with the Offer.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters and the issuance of the Series 2026B Bonds will be passed upon by Greenberg Traurig LLP, Houston, Texas, and Bratton & Associates, PLLC, Houston, Texas, Co-Bond Counsel, and McCall, Parkhurst & Horton L.L.P., Houston, Texas, and The Bates Law Firm PLLC, Houston, Texas, Co-Disclosure Counsel to the City. A copy of the form of opinion of Co-Bond Counsel, which will be delivered with respect to each of the Series 2026B Bonds is set forth in Appendix F of the 2026B POS. Certain legal matters will be passed upon for the Dealer Managers by their co-counsel, Norton Rose Fulbright, Houston, Texas, and Ronald Green & Associates PLLC, Houston, Texas. The issuance of the Series 2026B Bonds is subject to the approval of the Attorney General of the State of Texas.

MISCELLANEOUS

No one has been authorized by the City, the Dealer Managers, or the Information Agent and Tender Agent to recommend to any Bondholder whether to tender Target Bonds pursuant to the Tender Offer or the amount of Target Bonds to tender. No one has been authorized to give any information or to make any representation in connection with the Offer other than those contained in this Invitation. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the City, the Dealer Managers or the Information Agent and Tender Agent.

None of the City, the Dealer Managers, or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of the principal amount of such Bondholder's Target Bonds. Bondholders must make these decisions and should read this Invitation and consult with their broker, account executive, financial advisor and/or other professional in making these decisions.

Investors with questions about the Tender Offer should contact the Dealer Managers or the Information Agent and Tender Agent. The contact information for the Dealer Managers and the Information Agent and Tender Agent is as follows:

The Dealer Managers for the Tender Offer are:

RBC Capital Markets, LLC
Brookfield Place
200 Vesey Street, 8th Floor
New York, NY 10281
Attn: Liability Management Team
Call: (212) 618-7843
Call toll-free: (877) 381-2099
Email: liability.management@rbccm.com

Raymond James & Associates, Inc.
5847 San Felipe, Suite 4025
Houston, TX 77057
Debi Jones, Managing Director
(713) 840-3402
(832) 279-7594
Debi.jones@raymondjames.com

The Information Agent and Tender Agent for the Tender Offer is:

Globic Advisors Inc.
7777 Glades Road, Suite 200
Boca Raton, FL 33434
Tel: (212) 227-9699
Attn: Robert Stevens
Email: rstevens@globic.com
Document Website: www.globic.com/houston

CITY OF HOUSTON, TEXAS

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Appendix A

Solicitation Fee Payment Request Form

with respect to the
Invitation to Tender dated November 13, 2026
by
City of Houston, Texas
relating to the

CITY OF HOUSTON, TEXAS
COMBINED UTILITY SYSTEM

City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2017B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2018D
City of Houston, Texas Combined Utility System First Lien Revenue Bonds, Taxable Series 2018E
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2019B
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2019C
City of Houston, Texas Combined Utility System First Lien Revenue and Refunding Bonds, Series 2020C
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2020D
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Series 2021A
City of Houston, Texas Combined Utility System First Lien Revenue Refunding Bonds, Taxable Series 2021B
(collectively, the "Bonds")

The City of Houston, Texas (the "Issuer") has agreed to pay or cause to be paid to any commercial bank or trust company having an office, branch or agency in the United States, and any firm which is a member of a registered national securities exchange or of the Financial Industry Regulatory Authority (an "Eligible Institution"), a solicitation fee of $1.25 per $1,000 on the principal amount of Bonds purchased from each of its Retail Customers by the Issuer pursuant to the Invitation to Tender, dated November 13, 2026 (the "Invitation"). A "Retail Customer" is an individual who owns less than $250,000 principal amount of Bonds and manages his or her own investments or whose investments are managed by an investment manager or bank trust department that holds the investments of that individual in a separate account in the name of that individual.

Eligible Institutions must submit to the Information Agent and Tender Agent requests for payment of solicitation fees on a Solicitation Fee Payment Request Form no later than 7:00 p.m., New York City time, on the Offer Expiration Date (the Offer Expiration Date is currently set for November 30, 2026, unless earlier terminated or extended). No solicitation fee will be paid on requests received after this time.

No solicitation fee will be paid on requests submitted on an improperly completed Solicitation Fee Payment Request Form. Electronic copies of the completed Solicitation Fee Payment Request Forms may be submitted via email to the Information Agent and Tender Agent at rstevens@globic.com. FAILURE TO COMPLETE ALL SECTIONS WILL RESULT IN NONPAYMENT. EACH SOLICITATION FEE PAYMENT REQUEST FORM MUST BE ELECTRONICALLY SIGNED BY A REGISTERED REPRESENTATIVE.

Each completed Solicitation Fee Payment Request Form constitutes a representation by the registered representative completing such form that such representative is a registered employee of their firm, which is a financial institution described in the first paragraph, that such representative personally solicited the offer from the firm's retail customer and, with respect to any tender offer, such representative has reviewed this transaction with its customer, and on behalf of the firm, such representative requests payment of the resulting solicitation fee.

Each completed Solicitation Fee Payment Request Form constitutes a representation that (i) in making solicitations, I and my firm did not use any materials other than the Invitation and (ii) my firm is entitled to this solicitation fee under the terms and conditions described above.

All questions as to the validity, form and eligibility (including the time of receipt) of the Solicitation Fee Payment Request Form will be determined by the Issuer, in its sole discretion, which determination will be final, conclusive and binding. None of the Issuer, the Dealer Managers, the Information Agent and Tender Agent or any other person is under any duty to give notification of any defects or irregularities in any Solicitation Fee Payment Request Form or incur any liability for failure to give this notification.

SOLICITATION FEE PAYMENT REQUEST FORM

As described in the Invitation, the Issuer will pay a soliciting dealer fee of $1.25 per $1,000 of up to the first $250,000 par amount of Bonds that are validly tendered and accepted for payment to soliciting dealers that are appropriately designated by their clients to receive this fee. The soliciting dealer fee will only be paid to each designated soliciting dealer for each Bondholder that owns and submits Bonds with an aggregate principal amount of less than $250,000. In order to be eligible to receive the soliciting dealer fee, this form, properly completed, must be received by the Information Agent and Tender Agent no later than 5:00 p.m., New York City time, on the Offer Expiration Date of the Offer (as defined in the Invitation). The Issuer reserves the right to audit any soliciting dealer to confirm bona fide submission of this form. The Issuer shall, in its sole discretion, determine whether a soliciting dealer has satisfied the criteria for receiving a soliciting dealer fee (including, without limitation, the submission of the appropriate documentation without defects or irregularities and in respect of bona fide tenders). Such soliciting dealer fee will be paid within a reasonable amount of time after the Settlement Date. The Issuer will not reimburse a soliciting dealer for any expenses it incurs in connection with the Offer. No brokerage commissions are payable by Bondholders to the Dealer Managers, the Information Agent and Tender Agent or the Issuer. Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Invitation.

Name of Firm: _____

DTC Participant Number: _____

Authorized Contact: _____

Telephone Number of Broker: _____

Address of Broker: _____

Email:

Signature: _____ Date: _____

MEDALLION STAMP BELOW

Deliver this executed Solicitation Fee Payment Request Form to the Information Agent and Tender Agent no later than 7:00 p.m., New York City time, on the Offer Expiration Date.

SCHEDULE OF BONDS SUBJECT TO THE SOLICITATION TERMS

Please complete the following.

*****If available, please submit your schedule as formatted below in MS Excel*****

Please follow the same line headers as listed below. Schedules may be emailed to rstevens@globic.com with the completed Solicitation Fee Payment Request Form attached or to follow.

CUSIP No.	**Par Amount**	**VOI Number**	**Client Name/Account #** ***(Optional)***

SOLICITATION FEE PAYMENT INSTRUCTIONS

Please choose payment delivery method.

Delivery Via Check ☐

Issue Check to: _____

Name of Firm: _____

Attention: _____

Address: _____

Phone Number: _____

Taxpayer Identification: _____ _____

Delivery Via Wire ☐

Bank Name: _____

City, State: _____

ABA or Bank Number: _____

Swift Code: _____

Account Name: _____

Account Number: _____

Re: _____

Taxpayer ID Number: _____

The acceptance of compensation by such soliciting dealer will constitute a representation by it that (1) it has complied with applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (2) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer; (3) in soliciting a tender of Bonds, it has used no solicitation materials other than the Invitation furnished by the Issuer; and (4) it has complied with all instructions from the Dealer Managers in connection with the Offer.