

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 134F
(Fort Bend County, Texas)**

**PRELIMINARY OFFICIAL STATEMENT
DATED: SEPTEMBER 15, 2025**

**\$14,430,000
UNLIMITED TAX BONDS
SERIES 2025**

**BIDS TO BE SUBMITTED: 10:15 A.M., CENTRAL TIME
MONDAY, SEPTEMBER 29, 2025**

**\$7,865,000
UNLIMITED TAX ROAD BONDS
SERIES 2025**

**BIDS TO BE SUBMITTED: 10:15 A.M., CENTRAL TIME
MONDAY, SEPTEMBER 29, 2025**

**BONDS AWARDED: 12:00 P.M., CENTRAL TIME
MONDAY, SEPTEMBER 29, 2025**



Financial Advisor

This Preliminary Official Statement is subject to completion and amendment, as provided in the Official Notice of Sales, and is intended for the solicitation of initial bids to purchase the Bonds (hereinafter defined). Upon the sale of the Bonds, the Official Statement will be completed and delivered to the respective Initial Purchaser (hereinafter defined).

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, THE BONDS ARE VALID OBLIGATIONS OF THE DISTRICT, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT INCLUDED IN THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "LEGAL MATTERS" AND "TAX MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

THE BONDS WILL NOT BE DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. See "NOT QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE – Book-Entry-Only

NOT RATED

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 134F
(A Political Subdivision of the State of Texas, located within Fort Bend County)

\$14,430,000
UNLIMITED TAX BONDS
SERIES 2025

\$7,865,000
UNLIMITED TAX ROAD BONDS
SERIES 2025

Dated: October 1, 2025

Due: September 1, as shown below

Interest Accrues from: Date of Delivery

The \$14,430,000 Unlimited Tax Bonds, Series 2025 (the "Utility Bonds") and the \$7,865,000 Unlimited Tax Road Bonds, Series 2025 (the "Road Bonds") (collectively referred to herein as the "Bonds") are obligations of Fort Bend County Municipal Utility District No. 134F (the "District") and are not obligations of the State of Texas; Fort Bend County, Texas; the City of Houston, Texas, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas; Fort Bend County, Texas, the City of Houston, Texas, nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

The Bonds will be initially registered and delivered only to Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by Zions Bancorporation, National Association dba Amegy Bank, Houston, Texas, or any successor paying agent/registrar (the "Paying Agent/Registrar") directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry-Only System." Principal of the Bonds is payable to the registered owner(s) of the Bonds (the "Bondholder(s)") at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. Interest accrues from the initial date of delivery (expected on October 29, 2025) (the "Date of Delivery") and is payable on March 1, 2026, and each September 1 and March 1 (each an "Interest Payment Date") thereafter to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"). Unless otherwise agreed between the Paying Agent/Registrar and a Bondholder, such interest is payable by check mailed to such persons or by other means acceptable to such person and the Paying Agent/Registrar. The Bonds are issuable in denominations of \$5,000 of principal or any integral multiple thereof in fully registered form only.

See "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the inside cover.

The Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing water, sewer and drainage facilities (the "System") and the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing road facilities (the "Road System") to serve the District. Voters in the District have authorized a total of \$221,000,000 principal amount for the System and \$78,000,000 principal amount of bonds for the Road System. Following the issuance of the Bonds, \$206,570,000 principal amount of authorized unlimited tax bonds for the System will remain unissued and \$66,735,000 principal amount of authorized unlimited tax road bonds will remain unissued. See "THE BONDS—Authority for Issuance."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of separate continuing direct annual ad valorem taxes, each without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein.

The Bonds are offered when, as and if issued by the District and accepted by the winning bidder for the Utility Bonds and the winning bidder for the Road Bonds (together, the "Initial Purchaser"), subject among other things to the approval of the initial Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. The Bonds in definitive form are expected to be available for delivery in Houston, Texas, on or about October 29, 2025. See "LEGAL MATTERS."

BIDS TO BE SUBMITTED: 10:15 A.M. CENTRAL TIME
MONDAY, SEPTEMBER 29, 2025

BONDS AWARDED: 12:00 P.M. CENTRAL TIME
MONDAY, SEPTEMBER 29, 2025

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

\$14,430,000 Unlimited Tax Bonds, Series 2025

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2027	\$ 350,000		%	%	2039	\$ 625,000	(c)	%	%
2028	365,000				2040	655,000	(c)		
2029	385,000				2041	690,000	(c)		
2030	405,000				2042	725,000	(c)		
2031	425,000 (c)				2043	760,000	(c)		
2032	445,000 (c)				2044	800,000	(c)		
2033	465,000 (c)				2045	835,000	(c)		
2034	490,000 (c)				2046	880,000	(c)		
2035	515,000 (c)				2047	925,000	(c)		
2036	540,000 (c)				2048	970,000	(c)		
2037	565,000 (c)				2049	1,020,000	(c)		
2038	595,000 (c)								

\$7,865,000 Unlimited Tax Road Bonds, Series 2025

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2026	\$ 230,000		%	%	2038	\$ 315,000	(c)	%	%
2027	185,000				2039	330,000	(c)		
2028	195,000				2040	345,000	(c)		
2029	205,000				2041	365,000	(c)		
2030	215,000				2042	385,000	(c)		
2031	225,000 (c)				2043	400,000	(c)		
2032	235,000 (c)				2044	420,000	(c)		
2033	245,000 (c)				2045	445,000	(c)		
2034	260,000 (c)				2046	465,000	(c)		
2035	270,000 (c)				2047	490,000	(c)		
2036	285,000 (c)				2048	515,000	(c)		
2037	300,000 (c)				2049	540,000	(c)		

- (a) The initial reoffering yield has been provided by the Initial Purchaser and represents the initial offering price to the public of a substantial amount of the Bonds for each maturity. Such initial reoffering yield may subsequently be changed. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.
- (b) CUSIP numbers will be assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.
- (c) The Bonds maturing on September 1, 2031, and thereafter, are subject to redemption prior to maturity at the option of the District in whole or, from time to time, in part, on September 1, 2030, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), as amended, and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than information permitted by SEC Rule 15c2-12.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in SEC Rule 15c2-12.

No dealer, broker, salesman or other person has been authorized to give any information, or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Initial Purchaser.

All of the summaries of the statutes, resolutions, orders, contracts, audits, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel, for further information.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. The District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and to the extent such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT—Updating of Official Statement" and "CONTINUING DISCLOSURE OF INFORMATION."

References to web site addresses presented 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 web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for any purpose.

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Utility Bonds, the District has accepted the bid of _____ (the "Utility Bonds Initial Purchaser") to purchase the Utility Bonds at the interest rates shown on the inside cover page of this Official Statement at a price of _____% of par, resulting in a net effective interest rate to the District of _____%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

After requesting competitive bids for the Road Bonds, the District has accepted the bid of _____ (the "Road Bonds Initial Purchaser") to purchase the Road Bonds at the interest rates shown on the inside cover page of this Official Statement at a price of _____% of par, resulting in a net effective interest rate to the District of _____%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

The Utility Bonds Initial Purchaser and the Road Bonds Initial Purchaser are generally referred to as the "Initial Purchaser" throughout this Official Statement, and as used herein "Initial Purchaser" shall only be intended to apply to the underwriter for the appropriate series of bonds.

No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by and are the sole responsibility of the Initial Purchaser.

Prices and Marketability

The District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the Date of Delivery of the Bonds (expected on October 29, 2025) stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Other than as described in the Official Notice of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial reoffering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdictions. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND INSURANCE AND RATINGS

The District has made applications for a commitment for municipal bond insurance on the Bonds, but is dependent upon the respective Initial Purchaser electing to purchase municipal bond insurance for the respective series of Bonds. The District has not made an application for a municipal bond rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving an investment grade municipal bond rating on the Bonds.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issuer	Fort Bend County Municipal Utility District No. 134F (the “District”), a political subdivision of the State of Texas operating as a municipal utility district pursuant to Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, is located in Fort Bend County, Texas, and located partly in the extraterritorial jurisdiction of the City of Houston, and located partially outside the extraterritorial or corporate jurisdiction of any municipality. See “THE DISTRICT.” The District was created by an order of the Texas Commission on Environmental Quality granting the petition for creation of Fort Bend County Municipal Utility District No. 134F and appointing temporary directors, dated March 23, 2023 (the “Creation Order”). The District is vested with all rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.
The Issue	The \$14,430,000 Unlimited Tax Bonds, Series 2025 (the “Utility Bonds”) and the \$7,865,000 Unlimited Tax Road Bonds, Series 2025 (the “Road Bonds”) (collectively referred to herein as the “Bonds”), are dated October 1, 2025. Interest accrues from the initial date of delivery (expected to be on October 29, 2025) (the “Date of Delivery”), and the Bonds mature serially on September 1 of each of the years and in the principal amounts shown on the inside cover hereof. Interest is payable on March 1, 2026, and on each September 1 and March 1 thereafter until maturity or prior redemption.
Redemption Provisions	The Bonds maturing on September 1, 2031, and thereafter, are subject to redemption prior to maturity at the option of the District in whole or, from time to time, in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See “THE BONDS—Redemption Provisions.”
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of separate continuing, direct annual ad valorem taxes, each without legal limitation as to rate or amount, levied against taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, Texas, the City of Houston, Texas, or any entity other than the District. See “THE BONDS—Sources of Payment.”
Short Term Debt	In connection with the sale of the Utility Bonds, the District issued its \$6,175,000 Bond Anticipation Note, Series 2024, dated December 19, 2024 (the “BAN”), and distributed proceeds from the sale of the BAN as described below. The BAN accrues interest at a rate of 5.50% per year (computed on the basis of a 360-day year and the actual days elapsed) and matures on December 20, 2025, unless called for redemption prior to maturity. See “THE BONDS- Short Term Debt.”
Use of Utility Bond Proceeds	Proceeds of the Utility Bonds will be used to redeem the BAN, the proceeds of which were used to reimburse the Developer for the portion of said construction costs set out herein under “Use and Distribution of Utility Bond Proceeds.” In addition, proceeds from the sale of the Bonds will be used to reimburse the Developer for the portion of said construction costs that were not reimbursed by the BAN, to pay developer interest, eighteen (18) months capitalized interest, and other certain costs associated with the issuance of the Bonds. See “THE BONDS—Use and Distribution of Utility Bond Proceeds” for further information.

Use of Road Bond Proceeds	Proceeds of the Road Bonds will be used to reimburse the Developer for the portion of said construction costs and pay costs of issuance associated with the Bonds. In addition, a portion of the proceeds from the sale of the Bonds will be used to pay developer interest, twelve (12) months capitalized interest, and other certain costs associated with the issuance of the Bonds. See “THE BONDS—Use and Distribution of Road Bond Proceeds” for further information.
Authority.....	<p>The Utility Bonds are issued by the District pursuant to the terms and conditions of an order authorizing the issuance of the Bonds (the “Utility Bond Order”), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, the creation order, an election held within the District on November 7, 2023; and an approving order of the Texas Commission on Environmental Quality (the “TCEQ”).</p> <p>The Road Bonds are issued by the District pursuant to the terms and conditions of an order authorizing the issuance of the Bonds (the “Road Bond Order”), Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, the creation order, and an election held within the District on November 7, 2023. See “THE DISTRICT—General.”</p>
Not Qualified Tax-Exempt Obligations.....	The District will NOT designate the Bonds as “Qualified Tax-Exempt Obligations” for financial institutions. See “NOT QUALIFIED TAX-EXEMPT OBLIGATIONS.”
Payment Record.....	The District has timely made all payments of principal and interest due on its bond indebtedness. See “THE BONDS—Source of Payment.”
Municipal Bond Insurance and Ratings	See “MUNICIPAL BOND INSURANCE AND RATINGS.”
Bond Counsel	Coats Rose, P.C., Houston, Texas.
Disclosure Counsel.....	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.

THE DISTRICT

Description.....	Fort Bend County Municipal Utility District No. 134F, a political subdivision of the State of Texas, is located in Fort Bend County, Texas, approximately 20 miles southwest of downtown Houston. The District is located approximately one mile west of the intersection of U.S. Highway 99 and West Airport Boulevard. The land within the District is located partly in the extraterritorial jurisdiction of the City of Houston, and located partially outside the extraterritorial or corporate jurisdiction of any municipality. See “THE DISTRICT – General, and – Description.”
Harvest Green	The District is part of the approximately 1,680-acre master planned community known as “Harvest Green.” At full development, Harvest Green is projected to include single family, multi-family, institutional (churches, schools, etc.) and commercial development. Development of Harvest Green began in 2015. See “HARVEST GREEN.”
Status of Development Within the District.....	Of the approximately 364.65 acres of land located within the District, approximately 147.95 acres have been developed with water distribution, sanitary sewer and storm drainage facilities to serve the single-family residential subdivisions of Harvest Green, Sections 44-51 and 53-54 (437 lots). Additionally, the remaining acreage in the District comprises of approximately 211.39 acres of undeveloped but developable land and approximately 5.31 undevelopable acres. As of August 1, 2025, the District was comprised of 243 completed and occupied homes; 60 homes under construction and 134 vacant developed lots. See “DEVELOPMENT WITHIN THE DISTRICT.”
Developer/Principal Landowner.....	The principal developer of land and/or landowner within the District is Grand Parkway HG2 LP, a Texas limited partnership (the “Developer”) and was created to develop the District. See “DEVELOPER/PRINCIPAL LANDOWNER.”

Homebuilders Homebuilders active within the District include DR Horton, Newmark Homes, Lennar Homes, Coventry, Westin Homes, Highland Homes, Perry Homes, David Weekley Homes, Partners in Building and Tri-Pointe Homes. Homes within the District range in price from \$350,000 to over \$2 million and in square footage from 1,300 to 7,500. See “DEVELOPER/PRINCIPAL LANDOWNER.”

RISK FACTORS

INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN RISK FACTORS. PROSPECTIVE PURCHASERS SHOULD REVIEW THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING AN INVESTMENT DECISION, INCLUDING PARTICULARLY THE SECTION OF THE OFFICIAL STATEMENT ENTITLED “RISK FACTORS.”

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**SELECTED FINANCIAL INFORMATION
(UNAUDITED)**

2025 Taxable Assessed Valuation	\$ 108,434,567 (a)
Estimated Taxable Assessed Valuation as of August 1, 2025	\$ 183,559,829 (b)
Direct Debt:	
The Outstanding Bonds.....	\$ 3,400,000
The Utility Bonds	14,430,000
The Road Bonds	<u>7,865,000</u>
Total	\$ 25,695,000
Estimated Overlapping Debt	<u>\$ 4,096,917 (c)</u>
Total Direct and Estimated Overlapping Debt	<u>\$ 29,791,917</u>
Ratio of Direct Debt to:	
2025 Taxable Assessed Valuation	23.70%
Estimated Taxable Assessed Valuation as of August 1, 2025.....	14.00%
Ratio of Direct and Estimated Overlapping Debt to:	
2025 Taxable Assessed Valuation	27.47%
Estimated Taxable Assessed Valuation as of August 1, 2025.....	16.23%
Utility Capital Projects Fund (as of August 18, 2025).....	\$ 12,965
Road Capital Projects Fund (as of August 18, 2025).....	\$ 58,563
Utility Debt Service Fund Balance (as of Date of Delivery).....	\$1,082,250 (d)
Road Debt Service Fund Balance (as of August 18, 2025).....	\$ 130,846 (e)
General Fund Balance (as of August 18, 2025).....	\$ 440,430
2025 Tax Rate:	
Utility Debt Service	\$0.00
Road Debt Service	0.215
Maintenance & Operation	<u>1.235</u>
Total	<u>\$1.45</u>
Estimated Average Annual Debt Service Requirements (2026-2049)	\$1,853,531 (f)
Estimated Maximum Annual Debt Service Requirements (2049)	\$1,878,638 (f)
Tax Rate per \$100 of Assessed Valuation Required to Pay Estimated Average Annual Debt Service Requirement (2026-2049) at 95% Tax Collections	
Based Upon 2025 Taxable Assessed Valuation.....	\$1.80
Based on the Estimated Taxable Assessed Valuation as of August 1, 2025	\$1.07
Tax Rate per \$100 of Assessed Valuation Required to Pay Estimated Maximum Annual Debt Service Requirement (2049) at 95% Tax Collections	
Based Upon 2025 Taxable Assessed Valuation.....	\$1.83
Based on the Estimated Taxable Assessed Valuation as of August 1, 2025	\$1.08
Single-Family Homes as of August 1, 2025 (includes the 60 homes under construction).....	303
Estimated District Population.....	851 (g)

- (a) Represents the assessed value of all taxable property within the District as of January 1, 2025, provided by the Fort Bend Central Appraisal District (the "Appraisal District") which includes \$89,811,291 of certified value and the owners' opinion of value of uncertified value of \$18,623,276. See "TAX DATA" and "TAXING PROCEDURES."
- (b) Provided by the Appraisal District for information purposes only. Represents new construction within the District from January 1, 2025 to August 1, 2025. This estimate is based upon the same unit value used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES."
- (c) See "DISTRICT DEBT—Estimated Overlapping Debt Statement."
- (d) Upon delivery of the Utility Bonds, a portion of the proceeds of the Bonds equal to eighteen (18) months of capitalized interest will be deposited into the Utility Debt Service Fund (herein defined). Neither State law nor the Bond Order requires that the District maintain any particular sum in the Utility Debt Service Fund. Funds in the Utility Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System (herein defined), including the Road Bonds and the Outstanding Road Bonds.
- (e) Upon delivery of the Road Bonds, a portion of the proceeds of the Bonds equal to twelve (12) months of capitalized interest will be deposited into the Road Debt Service Fund (herein defined), such amount is not included in the balance above. Neither State law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. Funds in the Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System, including the Utility Bonds and the Outstanding Utility Bonds.
- (f) Debt service on the Bonds is estimated at an average interest rate of 5.00%. See "DISTRICT DEBT—Pro-Forma Debt Service Requirements."
- (g) Estimated 3.5 persons per occupied residence. See "DEVELOPMENT WITHIN THE DISTRICT."

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 134F
(A Political Subdivision of the State of Texas, located within Fort Bend County)

\$14,430,000
UNLIMITED TAX BONDS
SERIES 2025

\$7,865,000
UNLIMITED TAX ROAD BONDS
SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 134F (the "District"), of its \$14,430,000 Unlimited Tax Bonds, Series 2025 (the "Utility Bonds") and its \$7,865,000 Unlimited Tax Road Bonds, Series 2025 (the "Road Bonds") (collectively referred to herein as the "Bonds").

The Utility Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, (ii) the creation order, (iii) the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, (iv) an order authorizing the issuance of the Utility Bonds (the "Utility Bond Order") adopted by the Board of Directors of the District, (v) an election held within the District on November 7, 2023, and (vi) an approving order of the Texas Commission on Environmental Quality ("TCEQ").

The Road Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution, (ii) the creation order, (iii) the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, (iii) an order authorizing the issuance of the Road Bonds (the "Road Bond Order" and together with the Utility Bond Order, the "Bond Orders") adopted by the Board of Directors of the District, and (iv) an election held within the District on November 7, 2023.

Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Orders, except as otherwise indicated herein.

This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State, Fort Bend County, Texas, the City of Houston, Texas, or any political subdivision other than the District. The Bonds are secured by a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS - Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below.

Economic Factors Affecting Taxable Values and Tax Payments

The rate of development within the District is directly related to the vitality of the single-family housing in the Houston metropolitan area. New single-family residential construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of single-family residential construction would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Developer's Obligations to the District: There is no commitment by or legal requirement of the Developer (defined herein), or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any home builder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any land owner's right to sell its land. Therefore, the District can make no representation about the profitability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT WITHIN THE DISTRICT" and "DEVELOPER/PRINCIPAL LANDOWNER."

Maximum Impact on District Tax Rate: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2025 Taxable Assessed Valuation of property within the District is \$108,434,567, and the Estimated Taxable Assessed Valuation as of August 1, 2025 is \$183,559,829. After issuance of the Bonds, the estimated maximum annual debt service

requirement will be \$1,878,638 (2049) and the estimated average annual debt service requirement will be \$1,853,531 (2026 through 2049, inclusive). Assuming no increase or decrease from the 2025 Taxable Assessed Valuation, a tax rate of \$1.83 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the estimated maximum annual debt service requirement of \$1,878,638 and a tax rate of \$1.80 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the estimated average annual debt service requirements of \$1,853,531 (see “DISTRICT DEBT—Pro-Forma Debt Service Requirements”). Assuming no increase or decrease from the Estimated Taxable Assessed Valuation as of August 1, 2025, tax rates of \$1.08 and \$1.07 per \$100 of assessed valuation at 95% tax collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively. The District levied a 2025 total tax rate of \$1.45 per \$100 of assessed valuation comprised of \$1.235 per \$100 of assessed valuation for maintenance and operations purposes and \$0.215 per \$100 of assessed valuation for road debt service.

Operating Funds

The District’s sources of revenue to pay its operating expenses include advances from the Developer, proceeds from bond issues, and maintenance and operations tax proceeds. The District levied a 2024 maintenance and operations tax at the rate of \$1.45 per \$100 of assessed valuation. The District’s General Fund or Operating Fund balance at August 18, 2025, was \$440,430. Maintaining a positive General Fund or Operating Fund balance will depend upon (1) continued development, and (2) funds from bond issues. In the event that funds are not made available by the Developer, the District may be required to levy a maintenance and operations tax at a rate sufficient to fund its operating expenses. Such an increase to the tax, when added to the District’s debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. See “THE DISTRICT – General Fund Operating Statement.”

The Utility Bond Order creates a fund for debt service on the Utility Bonds (the “Utility Debt Service Fund”). The Utility Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Utility Bonds, and any additional unlimited tax utility bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Utility Bonds, and any of the District’s duly authorized future utility bonds payable in whole or part from taxes. Amounts on deposit in the Utility Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar (as defined herein), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Utility Bonds, and any additional unlimited tax utility bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

The Road Bond Order confirms a fund for debt service on the Road Bonds (the “Road Debt Service Fund”). The Road Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Road Bonds, and any additional unlimited tax road bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Road Bonds, and any of the District’s duly authorized future road bonds payable in whole or part from taxes. Amounts on deposit in the Road Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar (as defined herein), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Road Bonds, and any additional road bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the TCEQ may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight-county Houston-Galveston-Brazoria area (“HGB Area”)—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the

“2008 Ozone Standard”), and the EPA’s most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the “2015 Ozone Standard”). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a “severe” nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a “serious” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA’s attainment deadlines. These additional controls could have a negative impact on the HGB Area’s economic growth and development.

Water Supply & Discharge Issues: Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances (“PFAS”), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

Texas Pollutant Discharge Elimination System (“TPDES”) permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) (“CGP”), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act (“CWA”) and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district’s ability to obtain and maintain compliance with TPDES permits.

The District’s stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the “Current Permit”) issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ’s General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the “MS4 Permit”), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District’s inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the “waters of the United States.” The District must obtain a permit from the United States Army Corps of Engineers (“USACE”) if operations of the District require that wetlands be filled, dredged, or otherwise altered.

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of “waters of the United States” and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, “waters of the United States” includes only geographical features that are described in ordinary parlance as “streams, oceans, rivers, and lakes” and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection.

Subsequently, the EPA and USACE issued a final rule amending the definition of “waters of the United States” under the CWA to conform with the Supreme Court’s decision.

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Inclement Weather

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District’s tax rates.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Potential Effects of Oil Price Volatility on the Houston Area

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values within the District. The District cannot predict the impact that negative conditions in the oil industry could have on property values in the District.

Tax Collections and Foreclosure Remedies

The District’s ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under State law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court’s stay of tax collection proceedings against a taxpayer; or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property.

Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see “TAX DATA—Estimated Overlapping Taxes”), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers’ right to redeem property after foreclosure). Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer.

Registered Owners’ Remedies

The Bond Order does not provide for the appointment of a trustee to represent the interests of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition. Furthermore, the Bond Order does not establish specific events of default with respect to the Bonds and, under State law, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Bond Order. Subject to the holdings of several recent Texas Supreme Court cases discussed below, a registered owner of Bonds could seek a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds; however, such judgment could not be satisfied by execution against any property of the District. A registered owner’s only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the District to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The

enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. In addition, the Texas Supreme Court has ruled that a waiver of sovereign immunity must be provided for by statute in clear and unambiguous language and that certain statutory language previously relied upon by lower courts to support a finding that sovereign immunity had been waived did not constitute a clear and unambiguous waiver of sovereign immunity. Neither the remedy of mandamus nor any other type of injunctive relief was considered in these recent Supreme Court cases; and, in general, State courts have held that a writ of mandamus may be issued to require a public official to perform ministerial acts that clearly pertain to their duties, such as a legal duty that leaves nothing to the exercise of discretion or judgment. State courts have also held that mandamus may be used to require a public official to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party, including the payment of monies due under a contract. The District is also eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bond holders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to creditors under the Bankruptcy Code. See "THE BONDS - Registered Owners' Remedies."

Future Debt

Following the issuance of the Bonds, the District will have \$206,570,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer and drainage facilities, \$221,000,000 in principal amount for refunding of such bonds, \$66,735,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and \$78,000,000 in principal amount for refunding of such bonds authorized but unissued. Voters in the District have also authorized \$35,000,000 in principal amount of unlimited tax bonds for purpose of acquiring or constructing park and recreational facilities and \$35,000,000 in principal amount for the refunding of such bonds. The District reserves in the Bond Orders the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. In addition, the District has the right to issue obligations, other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for and the investment quality and value of the Bonds. See "DEVELOPMENT WITHIN THE DISTRICT."

After the issuance of the Bonds, the District will owe the Developer approximately \$29,770,000 for the existing facilities. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Competitive Nature of Houston Residential Market

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously-owned single-family homes in more established commercial centers and neighborhoods closer to the City of Houston, Texas that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Location and Access: The District is located approximately 20 miles southwest from the central business district of the City of Houston, Texas. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "STATUS OF DEVELOPMENT."

Collection of Taxes

The District's ability to pay debt service on the Bonds may be adversely affected by its ability to collect ad valorem taxes. Under State law, the levy of ad valorem taxes by the District constitutes a lien on the property in favor of the District on a parity with the lien of all other state and local authorities. Such lien can be foreclosed in judicial proceedings. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of a tax collection procedure against a taxpayer or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property including the taxpayer's right to redeem property for a specified period of time after foreclosure at the foreclosure sale price. See "TAXING PROCEDURES."

Marketability of the Bonds

Other than as described in the Notice of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of State law, the District may voluntarily proceed under Chapter 9. Under State law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. The rights and remedies of the Bondholders could be adjusted in accordance with the confirmed plan of adjustment of the District's debt.

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "LEGAL MATTERS" and "TAX MATTERS."

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

2025 Legislative Session

The 89th Regular Legislative Session convened on January 14, 2025, and concluded on June 2, 2025. The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor of Texas (the "Governor") may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. During this time, the Legislature may enact laws that materially change current laws affecting ad valorem tax matters, including rollback elections for maintenance tax increases, and other matters which could adversely affect the marketability or market value of the Bonds. On June 23, 2025, the Governor called a special session to begin on July 21, 2025, and ended on August 15, 2025. No legislation was passed during the first special session. The Governor immediately called a second special session which began on August 15, 2025, and concluded on September 4, 2025. No legislation affecting property taxes was passed during the second special session, and no third special session has been called at this time. The District can make no representations or predictions regarding any actions the Texas Legislature may take or the effect of any such actions.

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order. A copy of the Bond Order may be obtained from the District upon request to Bond Counsel (as defined herein). The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will mature on September 1 in each of the years and in principal amounts, and will accrue interest from the initial Date of Delivery (expected to be on October 29, 2025) with interest payable March 1, 2026, and semiannually thereafter on each September 1 and March 1 until maturity or redemption. The Bonds maturing on September 1, 2031, and thereafter, are subject to redemption prior to maturity at the option of the District, in whole or, from time to time, in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a particular maturity are redeemed, the Paying Agent/Registrar (as defined below) shall select the particular Bonds to be redeemed by random selection method.

The Bonds will be issued only in fully registered form in any integral multiples of \$5,000 of principal amount for any one maturity and will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of the Bonds will be payable to the registered owners (the "Registered Owners") at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar,

initially, Zions Bancorporation, National Association dba Amegy Bank, Houston, Texas (the “Paying Agent/Registrar”), the Paying Agent/Registrar to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “Book-Entry-Only System” Below.

In the event the Book-Entry-Only System is discontinued and physical bond certificates issued, interest on the Bonds shall be payable by check mailed by the Paying Agent/Registrar on or before each Interest Payment Date, to the registered owners (“Bondholders”) as shown on the bond register (the “Register”) kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each Interest Payment Date (the “Record Date”) to the address of such Bondholder as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Bondholder at the risk and expense of such Bondholder.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day without additional interest and with the same force and effect as if made on the specified date for such payment.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission (the “SEC”), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchase of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect

only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of the Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds to the Paying Agent/Registrar, or receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and the Paying Agent/Registrar of security or indemnity which they determine to be sufficient to hold them harmless. The District may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authority for Issuance

The bonds authorized by the resident electors of the District, the amount of bonds issued and the remaining authorized but unissued bonds are as follows:

Election Date	Purpose	Amount Authorized	Issued to Date	The Bonds	Remaining Unissued
11/7/2023	Water, Sewer and Drainage	\$ 221,000,000	\$ -	\$ 14,430,000	\$ 206,570,000
11/7/2023	Water, Sewer and Drainage Refunding	221,000,000	-	-	221,000,000
11/7/2023	Road	78,000,000	3,400,000	7,865,000	66,735,000
11/7/2023	Road Refunding	78,000,000	-	-	78,000,000
11/7/2023	Parks	35,000,000	-	-	35,000,000
11/7/2023	Parks Refunding	35,000,000	-	-	35,000,000
		<u>\$ 668,000,000</u>	<u>\$ 3,400,000</u>	<u>\$ 22,295,000</u>	<u>\$ 642,305,000</u>

The Utility Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, (ii) the creation order, (iii) the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, (iv) the Utility Bond Order adopted by the Board of Directors of the District, (v) an election held within the District on November 7, 2023, and (vi) an approving order of the TCEQ.

The Road Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution, (ii) the creation order, (iii) the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, (iv) the Road Bond Order adopted by the Board of Directors of the District, and (v) an election held within the District on November 7, 2023.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Source of Payment

The Bonds of the respective series are payable from the proceeds of two separate continuing direct annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property located within the District. Bonds issued for the Utility System and for the Road System are each supported by a separate unlimited tax levied by the District.

In the Utility Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Utility Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees, and fees of the Fort Bend Central Appraisal District (the "Appraisal District"). Tax proceeds, after deduction for collection costs, will be placed in the Utility System Debt Service Fund (herein defined) and used solely to pay principal of and interest on the Utility Bonds, the Outstanding Utility Bonds, any additional bonds payable from taxes which may be issued for the Utility System, and fees of the Paying Agent/Registrar. Amounts on deposit in the Utility System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System, including the Road Bonds.

In the Road Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Road Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees, and fees of the Appraisal District. Tax proceeds, after deduction for collection costs, will be placed in the Road System Debt Service Fund (herein defined) and used solely to pay principal of and interest on the Road Bonds, the Outstanding Road Bonds, any additional bonds payable from taxes which may be issued for the Road System, and fees of the Paying Agent/Registrar. Amounts on deposit in the Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System, including the Utility Bonds.

Short-Term Debt

In connection with the sale of the Utility Bonds, the District issued its \$6,175,000 Bond Anticipation Note, Series 2024, dated December 19, 2024 (the "BAN"), and distributed proceeds from the sale of the BAN as described below. The BAN accrues interest at a rate of 5.50% per year (computed on the basis of a 360-day year and the actual days elapsed) and matures on December 20, 2025, unless called for redemption prior to maturity.

Funds

The Utility Bond Order establishes the District's fund for debt service on the Utility Bonds and any additional unlimited tax bonds issued by the District for the Utility System (the "Utility System Debt Service Fund"). On the Date of Delivery, an amount equal to eighteen (18) months of capitalized interest will be deposited into the Utility System Debt Service Fund. The Utility System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Utility Bonds and any additional unlimited tax bonds issued by the District for the Utility System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Utility Bonds and any of the District's other duly authorized bonds issued for the Utility System payable in whole or in part from taxes. Amounts on deposit in the Utility System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the

expenses of assessing and collecting taxes levied for payment of interest on and principal of the Utility Bonds and any additional bonds for the Utility System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Utility System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System, including the Road Bonds.

The Road Bond Order confirms the District's fund for debt service on the Road Bonds, the Outstanding Road Bonds, and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund" and together with the Utility System Debt Service Fund, the "Debt Service Fund"). On the Date of Delivery, an amount equal to twelve (12) months of capitalized interest will be deposited into the Road System Debt Service Fund. The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Road Bonds, the Outstanding Road Bonds, and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Outstanding Road Bonds, the Road Bonds and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Outstanding Road Bonds, the Road Bonds and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System, including the Utility Bonds.

Outstanding Bonds

The District has previously issued its \$3,400,000 Unlimited Tax Road Bonds, Series 2024, all of which is currently outstanding as of the date hereof (the "Outstanding Bonds").

Redemption Provisions

The Bonds maturing on September 1, 2031, and thereafter, shall be subject to redemption at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Bondholder of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by a random selection method in integral multiples of \$5,000 within any one maturity. The Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Annexation

The District is located partially within the extraterritorial jurisdiction ("ETJ") of the City of Houston, Texas, and partially not within the ETJ or corporate boundaries of any city. The City of Houston, Texas is a home-rule city, and as such, it has the authority to annex land within their respective ETJ; however, the city may not annex land in the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. If the City were to annex land that is within its ETJ and within the District, the District would not be dissolved; the annexed land would be subject to taxation by both the applicable city and the District.

Consolidation

A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the water and wastewater system of districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation.

Defeasance

The Bond Order provides that the District may discharge its obligations to the Bondholder of any or all of the Bonds to pay principal of, interest on and redemption price thereon in any manner permitted by law. Under current State law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place or payment (paying agent) for obligations of the District payable from ad valorem taxes, amounts sufficient to provide for payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality

and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes. In the Bond Order, the District has specifically reserved the right to call the Bonds for redemption after the defeasance thereof.

Record Date for Interest Payment

Interest on the Bonds will be paid to the registered owner appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the Record Date and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Issuance of Additional Debt

The District's voters have authorized a total of \$78,000,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and \$78,000,000 in principal amount for refunding of such bonds authorized but unissued. Voters in the District have also authorized \$221,000,000 in principal amount of unlimited tax bonds for purpose of acquiring or constructing water, sewer and drainage facilities and \$221,000,000 in principal amount for the refunding of such bonds. Additionally, voters in the District authorized \$35,000,000 in principal amount of unlimited tax bonds for purpose of acquiring or constructing park and recreational facilities and \$35,000,000 in principal amount for the refunding of such bonds. The Utility Bonds are the first series of unlimited tax bonds issued by the District for the Utility System and the Road Bonds are the second series of unlimited tax bonds issued by the District for its Road System. Following the issuance of the Bonds, \$206,570,000 principal amount of unlimited tax bonds for the Utility System will remain authorized but unissued and \$66,735,000 principal amount of unlimited tax road bonds for the Road System will remain authorized and unissued.

Following the reimbursement with the proceeds of the Bonds, the District will owe the Developer (as defined herein) approximately \$29,770,000 for District projects, the funds for which were advanced by the Developer.

Based on present engineering cost estimates and on development plans supplied by the Developer, in the opinion of the District's engineer, LJA Engineering, Inc. (the "Engineer"), following the issuance of the bonds, the District will have adequate authorized but unissued bonds to reimburse the Developer the remaining amounts owed for the existing utility facilities, and to finance the extension of the System to serve the remaining undeveloped land within the District.

Amendments to the Bond Order

The District may, without the consent of or notice to any Bondholder, amend the Bond Order in any manner not detrimental to the interests of the Bondholder, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Bondholders of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage

provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Legal Investment and Eligibility to Secure Public Funds in Texas

Section 49.186 of the Texas Water Code is applicable to the District and provides:

“(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.”

“(b) A district’s bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.”

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

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Use and Distribution of Utility Bond Proceeds

Proceeds of the Bonds will be used to reimburse the Developer for a portion of the improvements and related costs shown below. Additionally, proceeds of the Bonds will be used to pay: for Drainage and Mass Grading Phase VI of Harvest Green; land costs; capacity payments to MUD 134E (defined herein), eighteen (18) months of capitalized interest; Developer interest; and other certain costs associated with the issuance of the Bonds.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer (herein defined) and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

I. CONSTRUCTION COSTS

Water, Sewer & Drainage Facilities to Serve:	
Harvest Green Drainage and Mass Grading Phase VI	\$ 3,849,204
Engineering.....	698,692
Stormwater Pollution Prevention Plan.....	20,694
Capacity Payments to Fort Bend Co. MUD No. 134E.....	5,458,606
Land Costs.....	1,110,455
Total Construction Costs.....	\$ 11,137,651

II. NON-CONSTRUCTION COSTS

Legal Fees.....	\$ 328,600
Fiscal Agent Fees.....	288,600
Capitalized Interest (18-months at an estimated 5.00%).....	1,082,250
Developer Interest (Estimated).....	298,493
BAN Interest.....	370,500
BAN Issuance Expenses.....	200,869
Bond Discount (Estimated 3.00%).....	432,900
Operating Advances.....	65,965
Creation Costs.....	63,262
Bond Issuance Expenses.....	50,335
Bond Application Report Costs.....	65,000
Attorney General Fee.....	9,500
TCEQ Bond Issuance Fee.....	36,075
Total Non-Construction Costs.....	\$ 3,292,349

TOTAL BOND ISSUE REQUIREMENT..... \$ 14,430,000

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for utility purposes. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required.

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Use and Distribution of Road Bond Proceeds

Proceeds of the Bonds will be used to reimburse the Developer for a portion of the improvements and related costs shown below. Additionally, proceeds of the Bonds will be used to pay: for paving of Harvest Green Sections 44, 46 through 49; land costs; twelve (12) months of capitalized interest; Developer interest; and other certain costs associated with the issuance of the Bonds.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer (herein defined) and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

I. CONSTRUCTION COSTS

Paving and Appurtenances to Serve Harvest Green Sections 48 & 49.....	\$ 800,486
Paving and Appurtenances to Serve Harvest Green Sections 45 & 50.....	1,005,292
Paving and Appurtenances to Serve Harvest Home Drive.....	249,085
Paving and Appurtenances to Serve Harvest Home Drive Bridge.....	1,268,246
Paving and Appurtenances to Serve Harvest Bounty Drive and Harvest Patch Lane....	1,447,421
Paving and Appurtenances to Serve Harvest Green Section 53.....	119,589
Engineering, Materials Testing, Geotech, Etc.....	698,345
Land Costs.....	704,532
Total Construction Costs.....	\$ 6,292,996

II. NON-CONSTRUCTION COSTS

Legal Fees.....	\$ 197,300
Fiscal Agent Fees.....	157,300
Capitalized Interest (12-months at an estimated 5.00%).....	393,250
Developer Interest (Estimated).....	507,634
Bond Discount (Estimated 3.00%).....	235,950
Bond Issuance Expenses.....	47,705
Bond Application Report Costs.....	25,000
Attorney General Fee.....	7,865
Total Non-Construction Costs.....	\$ 1,572,004

TOTAL BOND ISSUE REQUIREMENT..... \$ 7,865,000

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DISTRICT DEBT

General

The following tables and calculations relate to the Bonds. The District and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be raised by taxation against all or a portion of the property within the District.

2025 Taxable Assessed Valuation	\$ 108,434,567 (a)
Estimated Taxable Assessed Valuation as of August 1, 2025	\$ 183,559,829 (b)
Direct Debt:	
The Outstanding Bonds	\$ 3,400,000
The Utility Bonds	14,430,000
The Road Bonds	<u>7,865,000</u>
Total	\$ 25,695,000
Estimated Overlapping Debt	<u>\$ 4,096,917 (c)</u>
Total Direct and Estimated Overlapping Debt	<u>\$ 29,791,917</u>
Ratio of Direct Debt to:	
2025 Taxable Assessed Valuation	23.70%
Estimated Taxable Assessed Valuation as of August 1, 2025	14.00%
Ratio of Direct and Estimated Overlapping Debt to:	
2025 Taxable Assessed Valuation	27.47%
Estimated Taxable Assessed Valuation as of August 1, 2025	16.23%
Utility Capital Projects Fund (as of August 18, 2025)	\$ 12,965
Road Capital Projects Fund (as of August 18, 2025)	\$ 58,563
Utility Debt Service Fund Balance (as of Date of Delivery)	\$ 1,082,250 (d)
Road Debt Service Fund Balance (as of August 18, 2025)	\$ 130,846 (e)
General Fund Balance (as of August 18, 2025)	\$ 440,430
2025 Tax Rate:	
Utility Debt Service	\$0.00
Road Debt Service	0.215
Maintenance & Operation	<u>1.235</u>
Total	<u>\$1.45</u>
Estimated Average Annual Debt Service Requirements (2026-2049)	\$ 1,853,531 (f)
Estimated Maximum Annual Debt Service Requirements (2049)	\$ 1,878,638 (f)
Tax Rate per \$100 of Assessed Valuation Required to Pay Estimated Average Annual Debt Service Requirement (2026-2049) at 95% Tax Collections	
Based Upon 2025 Taxable Assessed Valuation	\$1.80
Based on the Estimated Taxable Assessed Valuation as of August 1, 2025	\$1.07
Tax Rate per \$100 of Assessed Valuation Required to Pay Estimated Maximum Annual Debt Service Requirement (2049) at 95% Tax Collections	
Based Upon 2025 Taxable Assessed Valuation	\$1.83
Based on the Estimated Taxable Assessed Valuation as of August 1, 2025	\$1.08

- (a) Represents the assessed value of all taxable property within the District as of January 1, 2025, provided by the Fort Bend Central Appraisal District (the "Appraisal District") which includes \$89,811,291 of certified value and the owners' opinion of value of uncertified value of \$18,623,276. See "TAX DATA" and "TAXING PROCEDURES."
- (b) Provided by the Appraisal District for information purposes only. Represents new construction within the District from January 1, 2025 to August 1, 2025. This estimate is based upon the same unit value used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES."
- (c) See "Estimated Overlapping Debt Statement" herein.
- (d) Upon delivery of the Utility Bonds, a portion of the proceeds of the Bonds equal to eighteen (18) months of capitalized interest will be deposited into the Utility Debt Service Fund. Neither State law nor the Bond Order requires that the District maintain any particular sum in the Utility Debt Service Fund. Funds in the Utility Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System, including the Road Bonds and the Outstanding Road Bonds
- (e) Upon delivery of the Road Bonds, a portion of the proceeds of the Bonds equal to twelve (12) months of capitalized interest will be deposited into the Road Debt Service Fund, such amount is not included in the balance above. Neither State law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. Funds in the Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System, including the Utility Bonds and the Outstanding Utility Bonds.
- (f) Debt service on the Bonds is estimated at an average interest rate of 5.00%. See "DISTRICT DEBT—Pro-Forma Debt Service Requirements."

Estimated Overlapping Debt Statement

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

<u>Taxing Jurisdiction</u>	<u>Tax Year</u>	<u>AV</u>	<u>Debt as of 6/30/2025</u>	<u>Overlapping</u>	
				<u>Percent</u>	<u>Amount</u>
Fort Bend County	2025	\$129,491,128,588	\$ 1,237,428,859	0.08%	\$ 1,036,210
Fort Bend County Drainage District	2025	128,592,715,924	21,645,000	0.08%	18,252
Fort Bend ISD	2025	65,461,951,453	1,836,730,000	0.17%	3,042,455
Total Estimated Overlapping Debt					\$ 4,096,917
The District Direct Debt (a)					\$ 25,695,000
Total Direct Debt and Estimated Overlapping Debt (a)					\$ 29,791,917

(a) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

	<u>2025 Taxable Assessed Valuation</u>	<u>Estimated Taxable Assessed Valuation as of August 1, 2025</u>
Direct Debt (a)	23.70%	14.00%
Total Direct and Estimated Overlapping Debt (a)	27.47%	16.23%

(a) Includes the Outstanding Bonds and the Bonds.

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Pro-Forma Debt Service Requirements

The following schedule sets forth the debt service on the Outstanding Bonds and the principal and interest requirements on the Utility Bonds and the Road Bonds, assuming the Bonds are issued at an interest rate of 5.00% per annum.

Year Ending 12/31	Outstanding Debt Service	Plus: The Utility Bonds		Plus: The Road Bonds		Total Debt Service
		Principal	Interest	Principal	Interest	
2026	\$ 236,275	\$ -	\$ 619,288	\$ 230,000	\$ 337,540	\$ 1,423,102
2027	238,075	350,000	721,500	185,000	381,750	1,876,325
2028	234,675	365,000	704,000	195,000	372,500	1,871,175
2029	236,275	385,000	685,750	205,000	362,750	1,874,775
2030	235,425	405,000	666,500	215,000	352,500	1,874,425
2031	234,250	425,000	646,250	225,000	341,750	1,872,250
2032	232,750	445,000	625,000	235,000	330,500	1,868,250
2033	233,419	465,000	602,750	245,000	318,750	1,864,919
2034	233,881	490,000	579,500	260,000	306,500	1,869,881
2035	234,138	515,000	555,000	270,000	293,500	1,867,638
2036	234,038	540,000	529,250	285,000	280,000	1,868,288
2037	233,725	565,000	502,250	300,000	265,750	1,866,725
2038	233,200	595,000	474,000	315,000	250,750	1,867,950
2039	237,294	625,000	444,250	330,000	235,000	1,871,544
2040	235,950	655,000	413,000	345,000	218,500	1,867,450
2041	239,388	690,000	380,250	365,000	201,250	1,875,888
2042	237,188	725,000	345,750	385,000	183,000	1,875,938
2043	239,763	760,000	309,500	400,000	163,750	1,873,013
2044	236,888	800,000	271,500	420,000	143,750	1,872,138
2045	238,563	835,000	231,500	445,000	122,750	1,872,813
2046	239,775	880,000	189,750	465,000	100,500	1,875,025
2047	240,525	925,000	145,750	490,000	77,250	1,878,525
2048	240,813	970,000	99,500	515,000	52,750	1,878,063
2049	240,638	1,020,000	51,000	540,000	27,000	1,878,638
	<u>\$5,676,906</u>	<u>\$ 14,430,000</u>	<u>\$ 10,792,788</u>	<u>\$ 7,865,000</u>	<u>\$ 5,720,040</u>	<u>\$ 44,484,733</u>

Estimated Average Annual Debt Service Requirements - (2026-2049) \$1,853,531
Estimated Maximum Annual Debt Service Requirement - (2049) \$1,878,638

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TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS - Source of Payment." Under State law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and for the payment of certain contractual obligations. See "TAX DATA- Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code"), specifies the taxing procedures of all political subdivisions of the State, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Fort Bend Central Appraisal District (the "FBCAD") has the responsibility of appraising property for all taxing units within Fort Bend County, including the District. Such appraisal values will be subject to review and change by the Fort Bend Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

The Property Tax Code requires the appraisal district, by May 15 of each year, or as soon thereafter as practicable, to prepare appraisal records of property as of January 1 of each year based upon market value. The chief appraiser must give written notice before May 15, or as soon thereafter as practicable, to each property owner whose property value is appraised higher than the value in the prior tax year or the value rendered by the property owner, or whose property was not on the appraisal roll the preceding year, or whose property was reappraised in the current tax year. Notice must also be given if ownership of the property changed during the preceding year. The appraisal review board has the ultimate responsibility for determining the value of all taxable property within the District; however, any property owner who has timely filed notice with the appraisal review board may appeal a final determination by the appraisal review board by filing suit in a Texas district court. Prior to such appeal or any tax delinquency date, however, the property owner must pay the tax due on the value of that portion of the property involved that is not in dispute or the amount of tax imposed in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. In such event, the value of the property in question will be determined by the court, or by a jury, if requested by any party. In addition, taxing units, such as the District, are entitled to challenge certain matters before the appraisal review board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records of the granting in whole or in part of certain exemptions. A taxing unit may not, however, challenge the valuation of individual properties.

Although the District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The appraisal district is governed by a board of directors elected by the governing bodies of the county and all cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district. The Property Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of future reappraisals will be utilized by the FBCAD or whether reappraisals will be conducted on a zone or county-wide basis.

Property Subject to Taxation by the District

Except for certain exemptions provided by State law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District.

Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent allowed by law. The disabled veteran exemption ranges between \$5,000 and \$12,000, depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption of the full value of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1.

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2013 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Fort Bend County may designate all or part of the area within the District as a reinvestment zone. Thereafter, the District, at the option and discretion of the District, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdiction. None of the area within the District has been designated as a Reinvestment Zone to date, and the District has not approved any such tax abatement agreements.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the FBCAD at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected. After the 2024 tax year, through December 31, 2026, the Maximum Property Value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor on July 22, 2023. The provisions described hereinabove took effect January 1, 2025, after the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, was approved by voters at an election held on November 7, 2023.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Property Tax Code requires the FBCAD to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all property in the FBCAD at least one every three years. It is not known what frequency of reappraisals will be utilized by the FBCAD or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the FBCAD a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the FBCAD chooses to formally include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

Notice and Hearing Procedures

The Property Tax Code establishes procedures for providing notice and the opportunity for a hearing for taxpayers in the event of certain proposed tax increases and provides for taxpayers referenda which could result in the repeal of certain tax increases. The District is required to publish a notice of a public hearing regarding the tax rate proposed to be levied in the current year and comparing the proposed tax rate to the tax rate set in the preceding year.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "Other Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates can not be reduced by a rollback election held within any of the districts described below.

Low Tax Rate Districts: Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Low Tax Rate District is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Texas Tax Code, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts: Districts that do not meet the classification of a Low Tax Rate District or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

The District: A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made on an annual basis, at the time a district sets its tax rate. For the 2025 tax year, the Board of Directors has determined that the District's classification is that of a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new rollback election calculation.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a timely petition for review in district court. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the FBCAD to compel compliance with the Property Tax Code.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. The date of delinquency may be postponed if the tax bills are mailed after January 1. A person over sixty-five (65) years of age is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due September 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also

makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under State law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien, however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two (2) years for residential and agricultural property and six (6) months for commercial property and all other types of property after the purchasers deed at the foreclosure sale is filed in the county records.

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TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, not to exceed \$1.50 per \$100 of assessed valuation, for operation and maintenance purposes. The District levied a 2024 total tax rate of \$1.45 per \$100 of assessed valuation for operation and maintenance. The District intends to levy its initial debt service tax rate in tax year 2025.

Tax Rate Limitation

Water, Sewer & Drainage Debt Service:..... Unlimited (no legal limit as to rate or amount).
 Road Debt Service: Unlimited (no legal limit as to rate or amount).
 Maintenance and Operations: \$1.50 per \$100 Assessed Valuation.
 Road Maintenance and Operations:..... \$1.50 per \$100 Assessed Valuation.
 Park Maintenance and Operations:..... \$0.10 per \$100 Assessed Valuation.

Historical Tax Collections

The following table illustrates the collection history of the District for the 2023-2025 tax years:

Year	Taxable Assessed Valuation	Tax Rate per \$100 (a)	Tax Levy	% of Current Collections	Tax Year Ended 9/30	% Collections as 7/31/2025
2023	\$ 4,096,216	\$ 1.45	\$59,395	100.00%	2024	100.00%
2024	17,405,329	1.45	244,146	99.65%	2025	99.65%
2025	89,811,291	1.45	1,302,264	(b)	2025	(b)

(a) See "Tax Rate Distribution" herein.

(b) In process of collection. 2025 taxes due by January 31, 2026.

Tax Rate Distribution

	Tax Year	2025	2024	2023
Road Debt Service	\$	0.215	\$ -	\$ -
Utility Debt Service		-	-	-
Maintenance & Operations		1.235	1.450	1.450
Total	\$	1.450	\$ 1.450	\$ 1.450

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the tax years 2023-2025 by type of property.

Type of Property	2025 Taxable Assessed Valuation	2024 Taxable Assessed Valuation	2023 Taxable Assessed Valuation
Land	\$ 23,643,658	\$ 17,416,662	\$ 4,096,216
Improvements	67,035,437	-	-
Personal Property	-	-	-
Exemptions	(867,804)	(11,333)	-
Plus: Uncertified	\$ 18,623,276	\$ -	\$ -
Total	\$ 108,434,567	\$ 17,405,329	\$ 4,096,216

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2025 as a percentage of the certified portion (\$89,811,291) of the 2025 Taxable Assessed Valuation :

Taxpayer	Property Type	2025 Tax Year	% of Tax Roll
Grand Parkway HG 2 LP (a)	Land & Improvements	\$ 3,760,649	4.19%
Partners in Building LP	Land & Improvements	1,932,724	2.15%
Westin Homes & Properties LP	Land & Improvements	1,661,823	1.85%
Four Eagles Models LLC	Land & Improvements	1,585,800	1.77%
Individual	Land & Improvements	934,868	1.04%
Individual	Land & Improvements	908,313	1.01%
DR Horton - Texas Ltd.	Land & Improvements	893,095	0.99%
Individual	Land & Improvements	881,863	0.98%
Individual	Land & Improvements	879,947	0.98%
DFH Coventry LLC	Land & Improvements	874,000	0.97%
Total		\$ 14,313,082	15.94%

(a) See "DEVELOPER/PRINCIPAL LANDOWNER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of Taxable Assessed Valuation that would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2025 Taxable Assessed Valuation (\$108,434,567), or the Estimated Taxable Assessed Valuation as of August 1, 2025 (\$183,559,829). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Estimated Average Annual Debt Service Requirements on the Bonds (2026-2049)	\$ 1,853,531
Tax Rate of \$1.80 on the 2025 Taxable Assessed Valuation	
at 95% collection produces	\$ 1,854,231
Tax Rate of \$1.07 on the Estimated Taxable Assessed Valuation as of August 1, 2025	
at 95% collection produces	\$ 1,865,886
Estimated Maximum Annual Debt Service Requirements on the Bonds (2049)	\$ 1,878,638
Tax Rate of \$1.83 on the 2025 Taxable Assessed Valuation	
at 95% collection produces	\$ 1,885,135
Tax Rate of \$1.08 on the Estimated Taxable Assessed Valuation as of August 1, 2025	
at 95% collection produces	\$ 1,883,324

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under State law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by State law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2024 taxes levied by such overlapping jurisdictions per \$100 of assessed valuation and the District's 2025 tax rate. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

<u>Taxing Jurisdiction</u>	<u>2024 Tax Rate</u>
The District (a)	\$ 1.450000
Fort Bend County (b)	0.422000
Fort Bend Independent School District	0.986900
Total Tax Rate	\$ 2.858900

(a) Includes the District's 2025 tax rate.

(b) Includes \$0.01 for Fort Bend County Drainage District.

THE DISTRICT

General

The District is a political subdivision of the State, operating as a municipal utility district pursuant to Article XVI, Section 59 of the Texas Constitution, located in Fort Bend County, Texas. The District was created by an order of the Texas Commission on Environmental Quality granting the petition for creation of Fort Bend County Municipal Utility District No. 134F and appointing temporary directors, dated March 23, 2023 (the "Creation Order"). The District is vested with all rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ.

Description

The District is located in central Fort Bend County, approximately five miles west of the City of Sugar Land, Texas and 20 miles southwest of downtown Houston, Texas. The District is located approximately one mile west of the intersection of U.S. Highway 99 and West Airport Boulevard. The land within the District is partially within the ETJ of the City of Houston, Texas, and partially not within the ETJ or corporate boundaries of any city.

The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service.

Management of the District

The District is governed by a board of five directors (the "Board") which has control over and management supervision of all affairs of the District. Directors are elected in even-numbered years for four-year staggered terms. The present members and officers of the Board are listed below:

<u>Name</u>	<u>Position</u>	<u>Term</u>
Terry Delasalle	President	May 2026
Brittany Brown	Vice President	May 2028
Abigail Stanhouse	Secretary	May 2026
Carlos Flores	Assistant Secretary	May 2028
Alyson Herzog	Assistant Secretary	May 2026

The District employs the following companies and individuals to operate its utilities and recreational facilities:

Tax Assessor/Collector: The District's Tax Assessor/Collector is Tax Tech, Inc.

Bookkeeper: The District contracts with L&S District Services, LLC, for bookkeeping services.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual financial statements are filed with the TCEQ. A copy of the District's financial statements audited by McGrath & Co., PLLC for the fiscal year ended December 31, 2024, is included as "APPENDIX A" to this Official Statement.

Engineer: The District engineer retained by the District in connection with the design and construction of the District's facilities is LJA Engineering, Inc.

Bond & General Counsel: The District has engaged Coats Rose, P.C. as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds. Coats Rose, P.C. also acts as general counsel for the District.

Disclosure Counsel: The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas as Disclosure Counsel in connection with the issuance of the Bonds. The legal fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

Financial Advisor: The District has engaged the firm of Robert W. Baird & Co. Incorporated as Financial Advisor to the District. Payment to the Financial Advisor by the District is contingent upon the issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

DEVELOPMENT WITHIN THE DISTRICT

Of the approximately 364.65 acres of land located within the District, approximately 147.95 acres have been developed with water distribution, sanitary sewer and storm drainage facilities to serve the single-family residential subdivisions of Harvest Green, Sections 44-51 and 53-54 (437 lots). As of August 1, 2025, the District was comprised of 0 completed and occupied homes; 60 homes under construction and 134 vacant developed lots. See “RISK FACTORS - Power to the District.”

The following is a status of construction of single-family housing within the District as of August 1, 2025:

Section	Acres	Lots	Completed	Homes	Vacant
			Occupied	Under Construction	
			Homes		Lots
Harvest Green, Section 44	8.68	31	31	0	0
Harvest Green, Section 45	13.04	62	32	21	9
Harvest Green, Section 46	16.62	59	42	8	9
Harvest Green, Section 47	10.04	28	27	1	0
Harvest Green, Section 48	10.67	41	39	2	0
Harvest Green, Section 49	9.52	43	41	1	1
Harvest Green, Section 50	11.12	48	22	14	12
Harvest Green, Section 51	16.48	29	9	12	8
Harvest Green, Section 53	36.01	58	0	0	58
Harvest Green, Section 54	<u>15.77</u>	<u>38</u>	<u>0</u>	<u>1</u>	<u>37</u>
Total Developed	147.95	437	243	60	134
Developed Commercial	0.00				
Multi-Family	0.00				
Developable Acreage	211.39				
Undevelopable Acreage	<u>5.31</u>				
Total	364.65				

Homebuilders active within the District include DR Horton, Newmark Homes, Lennar Homes, Coventry, Westin Homes, Highland Homes, Perry Homes, David Weekley Homes, Partners in Building and Tri-Pointe Homes. Homes within the District range in price from \$350,000 to over \$2 million and in square footage from 1,300 to 7,500.

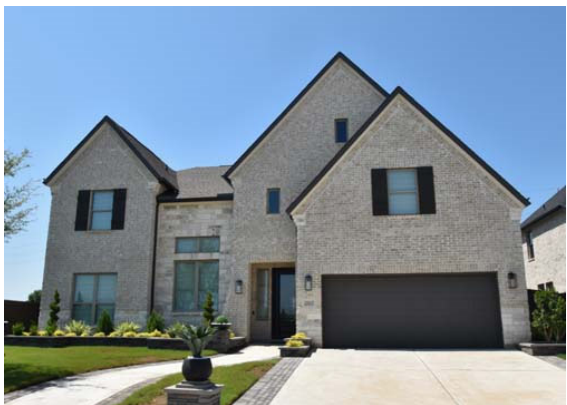
HARVEST GREEN

The District encompasses approximately 364.65 acres of the approximately 1,680-acre master planned community known as “Harvest Green.” The District is one of three municipal utility districts within Harvest Green with the power of acquiring or constructing a waterworks, wastewater and storm drainage system. At full development, Harvest Green is projected to include single family, multi-family, institutional (churches, schools, etc.) and commercial development. Development of Harvest Green began in 2015.

Three municipal utility districts have been created to encompass the land within Harvest Green: the District, Fort Bend County MUD 134D (“MUD 134D”) and Fort Bend County MUD 134E (“MUD 134E”). The District receives its water and wastewater services through joint facilities owned and operated by the District, MUD 134D and MUD 134E (collectively, the “Districts”). The District impact fees for certain shared water, wastewater and drainage facilities, including a leased wastewater treatment plant is for the benefit of all the Districts. The Developer has advanced funds on behalf of the District, MUD 134D, and MUD 134E to finance the construction of the water and wastewater facilities to serve respective portions of the land within Harvest Green. See “THE SYSTEM.”

Harvest Green has developed a 12-acre Village Farm to provide farm plots for lease, tours, events and classes for residents as well as the Farm House Recreation Center, which has a pool, fitness center, splash pad, amphitheater and playground.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken September 2025)



DEVELOPER/PRINCIPAL LANDOWNER

The Role of a Developer

In general, the activities of a developer in a municipal utility district, such as the District, include the following: acquiring the land within the district, designing the subdivision, the utilities and streets to be constructed in the subdivision, and any community facilities to be built; defining a marketing program and building schedule; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling improved lots and commercial reserves to builders and other developers or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to 30% of the cost of constructing certain water, wastewater and drainage facilities in a municipal utility district. The relative success or failure of a developer to perform such activities in the development of property within a municipal utility district may have a profound effect on the security of the bonds issued by a district. A developer is generally under no obligation to a municipal utility district to develop the property that it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a municipal utility district.

The Developer

Grand Parkway HG2 LP, a Texas limited partnership ("GP HG2," or collectively, the "Developer") was created to develop the District and a portion of MUD 134D.

Development Management

The development of the Harvest Green project is being managed by an affiliate of The Johnson Development Corp. ("JDC"), which has over 40 years of experience in real estate development and its real estate activities have included over 77 projects resulting in the development of nearly 40,000 acres of multi-use commercial parks, office buildings, retail centers, residential subdivisions, master-planned golf course communities and multi-family housing. In the Houston metropolitan area, in addition to Harvest Green, JDC's developments include Atascocita, Steeplechase, Sienna, Riverstone, Silverlake, Fall Creek, Woodforest, Imperial Sugar Land, Edgewater, Tuscan Lakes, Cross Creek Ranch, Harmony, Grand Central Park, Jordan Ranch, and Veranda.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Development Financing

In June 2021, the Developer obtained a revolving credit development loan for the Harvest Green project from Woodforest Bank. The loan, as amended, may have a maximum principal balance of \$21,500,000, bears interest at the prime rate plus 0.51%, has a minimum interest rate of 4.50%, and matures on June 14, 2027. The loan is secured by a first lien deed of trust on approximately 637 acres of land in the Harvest Green project, owned by the Developer. The outstanding balance on the loan was \$5,125,033 as of September 30, 2024. According to the Developer, it is in compliance with all material conditions of the loan.

THE SYSTEM

Water Supply Facilities

Approximately 364.65 acres are within Harvest Green are within the District, approximately 862 acres are located within MUD 134D and approximately 493 acres are located within MUD 134E. The District, MUD 134D, and MUD 134E (the Harvest Green MUDs") have entered into a Joint Water Supply Agreement to construct Water Plant No. 1 and Water Plant No. 2. MUD 134E operates these groundwater plants which have two water wells totaling 4,700 gallons per minute (GPM), 1,335,000 gallons of ground storage tank capacity, 6,000 gpm booster pump capacity, and 80,000 gallons of pressure tank capacity. Additionally, MUD 134E entered into a lease agreement with Pecan Grove MUD and is approved to use up 2,100 ESFCs.

Source of Wastewater Treatment

MUD 134E, on behalf of the Harvest Green MUDs has entered into a 60-month lease for wastewater treatment plants for a total of 0.95 MGD (950,000 gpd) which it is using to serve the District. Additionally, the District has commenced construction with its permanent wastewater plant. The District's share of the wastewater treatment plant is capable of serving 1,454 ESFCs, which is sufficient to serve the connections in the District.

100-Year Floodplain

The District currently has approximately 51.2 acres within the 100-year floodplain as determined by the Flood Insurance Rate Map 48157C0255L for Fort Bend County, Texas, approved by the Federal Emergency Management Agency (FEMA) on April 2, 2014. This area is adjacent to and along Oyster Creek and includes a portion of the detention pond and drainage channels. There are no single family residences located within the 100-year floodplain. There are no plans for residential building pads to be located within the 100-year floodplain.

General Fund Operating Statement

The following is a summary of the District's Operating Fund. The figures for the fiscal year 2023 and 2024 were obtained from the District's annual financial reports, reference to which is hereby made. The District is required by statute to have a certified public accountant audit the District's financial statements annually, which annual audit is filed with the TCEQ.

	Fiscal Year Ended December 31,	
	2024	2023
<u>Revenues</u>		
Water Service	\$ 8,249	\$ -
Sewer Service	17,428	-
Property Taxes	59,405	-
Penalty and Interest	1,001	-
Regional Water Authority Fees	9,569	-
Tap Connection and Inspection Fees	646,595	-
Miscellaneous Revenues	100	-
Investment Earnings	4,481	-
Total	<u>\$ 746,828</u>	<u>\$ -</u>
<u>Expenditures</u>		
Purchased Services	\$ 11,968	\$ -
Professional Fees	58,341	46,377
Contracted Services	131,004	1,401
Repairs and Maintenance	21,207	-
Administrative	16,263	7,675
Other	7,785	25
Capital Outlay	238,224	-
Total	<u>\$ 484,792</u>	<u>\$ 55,478</u>
NET REVENUES (Deficit)	<u>\$ 262,036</u>	<u>\$ (55,478)</u>
<u>Other Financing Sources (Uses):</u>		
Developer Advances	\$ 38,965	\$ 31,000
Beginning fund balance	\$ (24,478)	\$ -
Ending fund balance	<u>\$ 276,523</u>	<u>\$ (24,478)</u>

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel that, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. The legal opinion will further state that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions as described below under "TAX MATTERS." The legal opinion of Bond Counsel will be printed on the Bonds, if certificated Bonds are issued. Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel.

In addition to serving as Bond Counsel, Coats Rose, P.C. also acts as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the Date of Delivery, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge and belief of the certifying officers, threatened against the District contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority of proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the titles of the then present officers of the Board.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Coats Rose, P.C., Houston, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate and (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will not designate the Bonds as “Qualified Tax-Exempt Obligations” for financial institutions.

NO MATERIAL ADVERSE CHANGE

The obligations of the Initial Purchaser to take and pay for the Bonds, and the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of the sale.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the SEC regarding the District’s continuing disclosure obligations because the District does not have more than \$10,000,000 in aggregate amount of bonds outstanding and no person is committed by contract or other agreement with respect to payment of the bonds. As required by Rule 15c2-12, and in the Bond Order, the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, audited financial statements and timely notice of specified material events, in an electronic format as prescribed by the Municipal Securities Rulemaking Board (“MSRB”). The MSRB has established the Electronic Municipal Market Access (“EMMA”) system for such purpose.

Annual Reports

The District will provide certain updated financial information and operating data via EMMA annually.

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings “DISTRICT DEBT” (except under the subheading “Estimated Overlapping Debt Statement”), “TAX DATA,” and “APPENDIX A—Financial Statements of the District.” The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2025.

In addition, the District has agreed to provide information with respect to the Developer, any person or entity to whom the Developer voluntarily assigns (except as collateral) the right to receive a payment out of the proceeds from the sale of the bonds of the District, and each other person or entity, if any, to whom the District voluntarily makes or agrees or has agreed to make a payment out of such proceeds. The District will be obligated to provide information concerning the Developer and any such other person or entity only if and so long as (1) such persons own more than 20% of the taxable property within the District by value, as reflected by the most recently certified tax rolls (and without effect to special valuation provisions), (2) such persons have made tax or other payments to the District which were used or available to pay more than 20% of the District’s debt service requirements in the applicable fiscal year, or (3) at the end of such fiscal year such persons are obligated to the District to provide or pay for District facilities or debt in an amount which exceeds 20% of the amount of the District’s bonds then outstanding.

Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when and if the audit report becomes available.

The District's current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Bonds at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if by only (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement

described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of such rule are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

The District has entered into continuing disclosure agreements in connection with the issuance of the Outstanding Bonds. Due to an administrative oversight, notice of incurrence of a financial obligation for the District’s \$6,175,000 Bond Anticipation Note, Series 2024 issued on December 19, 2024 was not filed in a timely manner. Except as mentioned above, in the last five (5) years the District has complied in all material respects with such agreements and SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District’s records, the District Engineer, the Developer, the Tax Assessor/Collector, the Auditor, the Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, orders and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The District’s audited financial statements for the year ended December 31, 2024, were audited by McGrath & Co. PLLC, and have been included herein as “APPENDIX A.” McGrath & Co., PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Preliminary Official Statement.

Experts

The information contained in this Official Statement relating to development and the status of development within the District generally and, in particular, the information in the section captioned “THE DEVELOPER/PRINCIPAL LANDOWNER—The Developer” has been provided by the Developer and has been included herein in reliance upon the authority and knowledge of each such party concerning the matters described therein.

The information contained in this Official Statement relating to engineering and to the description of the System generally and, in particular, the engineering information included in the sections captioned “THE DISTRICT” and “THE SYSTEM” has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations, analysis of the tax base and percentages of tax collections contained in the sections captioned “TAX DATA” has been provided by the FBCAD and the District’s Tax Assessor/Collector, and has been included herein in reliance upon the authority of such parties as experts in the field of tax assessing and collecting.

Certification as to Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board of Directors of the District, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the Date of Delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data, contained in this Official Statement, of or pertaining to entities other than the District, such statements and data have been obtained from sources which the District believes to be reliable, and the District has no reason to believe that they are untrue in any material respect.

Updating the Official Statement

If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to SEC Rule 15c2-12 (the “Rule”) (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser. The obligation of the District to update or change the Official Statement will terminate

when the District delivers the Bonds to the Initial Purchaser (the “end of the underwriting period” within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the “end of the underwriting period” as defined in the Rule.

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District’s records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and orders. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 134F as of the date specified on the first page hereof.

/s/ _____
President, Board of Directors
Fort Bend County Municipal Utility District No. 134F

ATTEST:

/s/ _____
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 134F

APPENDIX A
FINANCIAL STATEMENTS OF THE DISTRICT

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 134F**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

December 31, 2024

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McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 134F
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 134F (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 134F, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied

***Board of Directors
Fort Bend County Municipal Utility District No. 134F
Fort Bend County, Texas***

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



Houston, Texas
April 21, 2025

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Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024***

Using this Annual Report

This section of the financial report of Fort Bend County Municipal Utility District No. 134F (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at December 31, 2024, was negative \$6,812,694. This amount is negative because the District incurs debt to construct public road facilities which it conveys to Fort Bend County and relies on advances from its developer to fund operating costs. A comparative summary of the District's overall financial position, as of December 31, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	\$ 910,194	\$ 63,430
Capital assets	18,564,835	
Total assets	19,475,029	63,430
Current liabilities	6,318,674	28,513
Long-term liabilities	19,760,993	31,000
Total liabilities	26,079,667	59,513
Total deferred inflows of resources	208,056	59,395
Net position		
Net investment in capital assets	(1,735,053)	
Restricted	229,604	
Unrestricted	(5,307,245)	(55,478)
Total net position	\$ (6,812,694)	\$ (55,478)

Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024

The total net position of the District decreased during the current fiscal year by \$6,757,216. A comparative summary of the District's *Statement of Activities* for the current fiscal year and prior five-month period is as follows:

	2024	2023
Revenues		
Property taxes, penalties and interest	\$ 60,406	\$ -
Water and sewer service	25,677	
Regional Water Authority fees	9,569	
Tap connection and inspection	646,595	
Other	8,298	
Total revenues	<u>750,545</u>	<u>-</u>
Expenses		
Current service operations	246,568	55,478
Debt interest and fees	16,530	
Developer interest	255,523	
Debt issuance costs	434,676	
Depreciation and amortization	346,603	
Total expenses	<u>1,299,900</u>	<u>55,478</u>
Change in net position before other item	(549,355)	(55,478)
Other item		
Transfers to other governments	<u>(6,207,861)</u>	<u></u>
Change in net position	(6,757,216)	(55,478)
Net position, beginning of year	<u>(55,478)</u>	<u></u>
Net position, end of year	<u><u>\$ (6,812,694)</u></u>	<u><u>\$ (55,478)</u></u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of December 31, 2024, were \$574,994, which consists of \$276,523 in the General Fund, \$234,813 in the Debt Service Fund and \$63,658 in the Capital Projects Fund.

***Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024***

General Fund

A comparative summary of the General Fund's financial position as of December 31, 2024 and 2023, is as follows:

	2024	2023
Total assets	<u>\$ 611,723</u>	<u>\$ 63,430</u>
Total liabilities	\$ 127,144	\$ 28,513
Total deferred inflows	208,056	59,395
Total fund balance	276,523	(24,478)
Total liabilities, deferred inflows and fund balance	<u>\$ 611,723</u>	<u>\$ 63,430</u>

A comparative summary of the General Fund's activities for the current fiscal year and prior five-month period is as follows:

	2024	2023
Total revenues	\$ 746,828	\$ -
Total expenditures	(484,792)	(55,478)
Revenues over (under) expenditures	262,036	(55,478)
Other changes in fund balance	38,965	31,000
Net change in fund balance	<u>\$ 301,001</u>	<u>\$ (24,478)</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District, tap connection fees charged to homebuilders in the District and developer advances. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. The District levied its first maintenance tax in the current fiscal year.
- Water, sewer and regional water authority fee revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.
- The District's developer advances funds to the District as needed to pay operating costs.

Debt Service Fund

The District issued bonded debt during the current fiscal year pursuant to a Bond Resolution adopted by the Board. As required by the Bond Resolution, a Debt Service Fund was established to account for the accumulation of financial resources restricted for debt service purposes.

***Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024***

A summary of the financial position as of December 31, 2024 is as follows:

Total assets	<u><u>\$ 234,813</u></u>
Total fund balance	<u><u>\$ 234,813</u></u>

A summary of activities of the Debt Service Fund for the current fiscal year is as follows:

Total revenues	\$ 400
Total expenditures	<u>400</u>
Revenues over expenditures	234,413
Other changes in fund balance	<u>\$ 234,813</u>
Net change in fund balance	<u><u>\$ 234,813</u></u>

Capital Projects Fund

A Capital Projects Fund was established to account for the expenditure of proceeds from the issuance of the District's Series 2024 Unlimited Tax Road Bonds and Series 2024 Bond Anticipation Note. A summary of the financial position of the Capital Projects Fund as of December 31, 2024, is as follows:

Total assets	<u><u>\$ 63,658</u></u>
Total fund balance	<u><u>\$ 63,658</u></u>

A summary of activities of the Capital Projects Fund for the current fiscal year is as follows:

Total revenues	\$ 3,317
Total expenditures	<u>(9,214,281)</u>
Revenues under expenditures	(9,210,964)
Other changes in fund balance	9,274,622
Net change in fund balance	<u><u>\$ 63,658</u></u>

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the fiscal year to reflect changes in anticipated revenues and expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$150,371 greater than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

***Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024***

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at December 31, 2024, is as follows:

Capital assets not being depreciated	
Land and improvements	<u>\$ 4,797,947</u>
Capital assets being depreciated/amortized	
Infrastructure	12,513,793
Interest in joint facilities	<u>1,599,698</u>
	<u>14,113,491</u>
Less accumulated depreciation/amortization	
Infrastructure	(296,613)
Interest in joint facilities	<u>(49,990)</u>
	<u>(346,603)</u>
Depreciable capital assets, net	<u>13,766,888</u>
Capital assets, net	<u><u>\$ 18,564,835</u></u>

The District did not have any capital assets to report as of December 31, 2023.

Capital asset additions during the current fiscal year include the following:

- Water meters
- Harvest Green drainage and mass grading Phase VI
- Utilities to serve Harvest Green Sections 44 – 51
- Utilities to serve Harvest Home Drive Street Section 4
- Harvest Home Drive bridge and appurtenances
- Harvest Green Section 53 detention land acquisition - 22.952 acres
- Interest in joint facilities for wastewater treatment plant expansion – 0.95 and 1.50 MGD

Additionally, Fort Bend County assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended December 31, 2024, capital assets in the amount of \$6,207,861 have been recorded as transfers to other governments in the government-wide statements.

***Fort Bend County Municipal Utility District No. 134F
Management's Discussion and Analysis
December 31, 2024***

Long-Term Debt and Related Liabilities

As of December 31, 2024, the District owes approximately \$16,360,993 to its developer for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 8, the District has an additional commitment in the amount of \$11,594,531 for projects under construction by the developer. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

During the current fiscal year, the District issued \$3,400,000 in unlimited tax road bonds, all of which were outstanding as of the end of the fiscal year. The District did not have any bonded debt as of December 31, 2023.

At December 31, 2024, the District had \$221,000,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and \$221,000,000 for the refunding of such bonds; \$35,000,000 for parks and recreational facilities and \$35,000,000 for the refunding of such bonds; and \$74,600,000 for road improvements and \$78,000,000 for the refunding of such bonds.

Additionally, during the current fiscal year, the District issued a \$6,175,000 in bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 7 for additional information.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

	2024 Actual	2025 Budget
Total revenues	\$ 746,828	\$ 785,729
Total expenditures	(484,792)	(785,729)
Revenues over (under) expenditures	262,036	
Other changes in fund balance	38,965	
Net change in fund balance	301,001	
Beginning fund balance	(24,478)	276,523
Ending fund balance	<u>\$ 276,523</u>	<u>\$ 276,523</u>

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 134F
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 382,491	\$ 234,813	\$ 84,638	\$ 701,942	\$ -	\$ 701,942
Taxes receivable	189,519			189,519		189,519
Customer service receivables	18,733			18,733		18,733
Internal balances	20,980		(20,980)			
Capital assets not being depreciated					4,797,947	4,797,947
Capital assets, net					13,766,888	13,766,888
Total Assets	<u>\$ 611,723</u>	<u>\$ 234,813</u>	<u>\$ 63,658</u>	<u>\$ 910,194</u>	<u>18,564,835</u>	<u>19,475,029</u>
Liabilities						
Accounts payable	\$ 90,092	\$ -	\$ -	\$ 90,092		90,092
Customer deposits	10,579			10,579		10,579
Unearned revenue	26,473			26,473		26,473
Accrued interest payable					16,530	16,530
Bond anticipation note payable					6,175,000	6,175,000
Due to developer					16,360,993	16,360,993
Long-term debt						
Due after one year					3,400,000	3,400,000
Total Liabilities	<u>127,144</u>			<u>127,144</u>	<u>25,952,523</u>	<u>26,079,667</u>
Deferred Inflows of Resources						
Deferred property taxes	<u>208,056</u>			<u>208,056</u>		<u>208,056</u>
Fund Balances/Net Position						
Fund Balances						
Restricted		234,813	63,658	298,471	(298,471)	
Unassigned	<u>276,523</u>			<u>276,523</u>	<u>(276,523)</u>	
Total Fund Balances	<u>276,523</u>	<u>234,813</u>	<u>63,658</u>	<u>574,994</u>	<u>(574,994)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 611,723</u>	<u>\$ 234,813</u>	<u>\$ 63,658</u>	<u>\$ 910,194</u>		
Net Position						
Net investment in capital assets					(1,735,053)	(1,735,053)
Restricted for debt service					229,604	229,604
Unrestricted					(5,307,245)	(5,307,245)
Total Net Position					<u>\$ (6,812,694)</u>	<u>\$ (6,812,694)</u>

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 134F

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 8,249	\$ -	\$ -	\$ 8,249	\$ -	\$ 8,249
Sewer service	17,428			17,428		17,428
Property taxes	59,405			59,405		59,405
Penalties and interest	1,001			1,001		1,001
Regional Water Authority fees	9,569			9,569		9,569
Tap connection and inspection	646,595			646,595		646,595
Miscellaneous	100			100		100
Investment earnings	4,481	400	3,317	8,198		8,198
Total Revenues	746,828	400	3,317	750,545		750,545
Expenditures/Expenses						
Current service operations						
Purchased services	11,968			11,968		11,968
Professional fees	58,341			58,341		58,341
Contracted services	131,004			131,004		131,004
Repairs and maintenance	21,207			21,207		21,207
Administrative	16,263			16,263		16,263
Other	7,785			7,785		7,785
Capital outlay	238,224		8,524,082	8,762,306	(8,762,306)	
Debt service						
Interest and fees					16,530	16,530
Developer interest			255,523	255,523		255,523
Debt issuance costs			434,676	434,676		434,676
Depreciation and amortization					346,603	346,603
Total Expenditures/Expenses	484,792		9,214,281	9,699,073	(8,399,173)	1,299,900
Revenues Over (Under)						
Expenditures/Expenses	262,036	400	(9,210,964)	(8,948,528)	8,399,173	(549,355)
Other Financing Sources/(Uses)						
Proceeds from sale of bonds		234,413	3,165,587	3,400,000	(3,400,000)	
Proceeds from bond anticipation note			6,175,000	6,175,000	(6,175,000)	
Repayment of developer advances			(65,965)	(65,965)	65,965	
Developer advances	38,965			38,965	(38,965)	
Other Items						
Transfers to other governments					(6,207,861)	(6,207,861)
Net Change in Fund Balances	301,001	234,813	63,658	599,472	(599,472)	
Change in Net Position					(6,757,216)	(6,757,216)
Fund Balance/Net Position						
Beginning of the year	(24,478)			(24,478)	(31,000)	(55,478)
End of the year	\$ 276,523	\$ 234,813	\$ 63,658	\$ 574,994	\$ (7,387,688)	\$ (6,812,694)

See notes to basic financial statements.

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Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 134F (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated June 22, 2023, pursuant to Article XVI, Section 59 of the Texas Constitution and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on July 17, 2023 and the first bonds were issued on December 19, 2024.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage and park and recreational facilities and the construction of road facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major”

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. During the current fiscal year, financial resources included capitalized interest from the sale of bonds.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer, drainage facilities, and park and recreational and road facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At December 31, 2024, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is \$50,000. The threshold for subscription-based information technology arrangements (SBITAs) is \$100,000.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated using the straight-line method as follows:

Assets	Useful Life
Infrastructure	10-45 years
Interest in joint facilities	Remaining life of contract

The District's detention facilities are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources. Additionally, collections of the 2024 property tax levy are not considered current year revenues and, consequently, are also reported as deferred property taxes.

Deferred inflows of financial resources at the government-wide level consist of the 2024 property tax levy, which was levied to finance the 2025 fiscal year.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District’s investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District’s restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and capitalized interest from the sale of bonds in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to Fort Bend County and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds	\$ 574,994
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost	\$ 18,911,438	
Less accumulated depreciation/amortization	<u>(346,603)</u>	
		18,564,835

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

Accrued interest payable	(16,530)	
Bond anticipation note payable	(6,175,000)	
Due to developer	(16,360,993)	
Bonds payable	<u>(3,400,000)</u>	
		(25,952,523)

Total net position - governmental activities	<u><u>\$ (6,812,694)</u></u>
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Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds	\$ 599,472
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Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities. Differences during the current fiscal year are for the following:

Capital outlays	\$ 8,762,306	
Transfers to other governments	(6,207,861)	
Depreciation/amortization expense	<u>(346,603)</u>	
		2,207,842

Financial reporting for certain obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as debt is issued and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:

Issuance of long-term debt	(3,400,000)	
Issuance of bond anticipation note	(6,175,000)	
Developer advances	(38,965)	
Repayment of developer advances	65,965	
Interest expense accrual	<u>(16,530)</u>	
		(9,564,530)

Change in net position of governmental activities	<u><u>\$ (6,757,216)</u></u>
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Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide (“GASBIG”) 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. Under this new guidance, the District’s acquisition of water meters that exceeds the capitalization threshold in the aggregate should be recorded as Capital outlays instead of Contracted services in the *Statement of Revenues, Expenditures and Changes in Fund Balances*. On the government-wide statements, the acquisition of water meters should not be recorded as an expense on the *Statement of Activities* but should be recorded as capital assets on the *Statement of Net Position*.

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

Note 5 – Interfund Balances and Transactions

Amounts due to/from other funds at December 31, 2024, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Capital Projects Fund	\$ 20,980	Bond issuance costs paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Note 6 – Capital Assets

A summary of changes in capital assets, for the year ended December 31, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ -	\$ 4,797,947	\$ 4,797,947
Capital assets being depreciated/amortized			
Infrastructure		12,513,793	12,513,793
Interest in joint facilities		1,599,698	1,599,698
		14,113,491	14,113,491
Less accumulated depreciation/amortization			
Infrastructure		(296,613)	(296,613)
Interest in joint facilities		(49,990)	(49,990)
		(346,603)	(346,603)
Subtotal depreciable capital assets, net		13,766,888	13,766,888
Capital assets, net	\$ -	\$ 18,564,835	\$ 18,564,835

Depreciation/amortization expense for the current fiscal year was \$346,603.

Note 7 – Bond Anticipation Note

The District uses a bond anticipation note (“BAN”) to provide short-term financing for reimbursements to its developer. Despite its short-term nature, a BAN is not recorded as a fund liability, since it will not be repaid from current financial resources and will be repaid through the issuance of long-term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

On December 19, 2024, the District issued a \$6,175,000 BAN with an interest rate of 5.50%, which is due on December 18, 2025.

The effect of this transaction on the District’s short-term obligations is as follows:

Beginning balance	\$ -
Amounts borrowed	6,175,000
Ending balance	<u>\$ 6,175,000</u>

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Note 8 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, and park and recreational facilities and road improvements. Under the agreement, the developer will advance funds for the construction of facilities to serve the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

The District's developer has also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developer during the fiscal year are as follows:

Due to developer, beginning of year	\$ 31,000
Developer reimbursements	(8,524,082)
Developer funded construction and adjustments	24,881,075
Operating advances from developer	38,965
Repayment of operating advances	(65,965)
Due to developer, end of year	<u>\$ 16,360,993</u>

In addition, the District will owe the developer approximately \$11,594,531, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Percent Complete
Harvest Green Drainage, Detention and Mass Grading Phase VII	\$ 3,669,238	18%
Teamiddle Way - utilities and paving	1,718,833	0%
Harvest Green Section 53 - utilities and paving	1,498,499	44%
Harvest Green Section 54 - utilities and paving*	854,404	87%
Harvest Bounty Drive and Harvest Patch Lane - utilities and paving	3,853,557	90%
	<u>\$ 11,594,531</u>	

* District's share of contract

Note 9 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	<u>\$ 3,400,000</u>
Due within one year	<u>\$ -</u>

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

The District's bonds payable at December 31, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2024 Road	\$ 3,400,000	\$ 3,400,000	4.00% - 6.50%	September 1, 2026/2049	March 1, September 1	September 1, 2030

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At December 31, 2024, the District had authorized but unissued bonds in the amount of \$221,000,000 for water, sewer and drainage facilities; and \$221,000,000 for the refunding of such bonds; \$35,000,000 for park and recreational facilities and \$35,000,000 for the refunding of such bonds; and \$74,600,000 for road improvements and \$78,000,000 for the refunding of such bonds.

On December 19, 2024, the District issued its \$3,400,000 Series 2024 Unlimited Tax Road Bonds at a net effective interest rate of 4.760017%. Proceeds of the bonds were used to (1) reimburse its developer for the cost of road facilities constructed within the District; the acquisition of land plus interest expense at the net effective interest rate of the bonds; and (2) to pay capitalized interest into the Debt Service Fund.

The change in the District's long-term debt during the fiscal year is as follows:

Bonds payable, beginning of year	\$ -
Bonds issued	<u>3,400,000</u>
Bonds payable, end of year	<u><u>\$ 3,400,000</u></u>

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

As of December 31, 2024, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	\$ -	\$ 109,393	\$ 109,393
2026	80,000	156,275	236,275
2027	85,000	153,075	238,075
2028	85,000	149,675	234,675
2029	90,000	146,275	236,275
2030	95,000	140,425	235,425
2031	100,000	134,250	234,250
2032	105,000	127,750	232,750
2033	110,000	123,419	233,419
2034	115,000	118,881	233,881
2035	120,000	114,138	234,138
2036	125,000	109,038	234,038
2037	130,000	103,725	233,725
2038	135,000	98,200	233,200
2039	145,000	92,294	237,294
2040	150,000	85,950	235,950
2041	160,000	79,387	239,387
2042	165,000	72,187	237,187
2043	175,000	64,762	239,762
2044	180,000	56,887	236,887
2045	190,000	48,562	238,562
2046	200,000	39,775	239,775
2047	210,000	30,525	240,525
2048	220,000	20,813	240,813
2049	230,000	10,638	240,638
	<u>\$ 3,400,000</u>	<u>\$ 2,386,299</u>	<u>\$ 5,786,299</u>

Note 9 – Property Taxes

On November 7, 2023, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations and maintenance of roads, water, sewer and drainage facilities limited to \$1.50 per \$100 of assessed value. The voters of the District also authorized the District’s Board of Directors to levy taxes annually for parks and recreation limited to \$0.10 per \$100 of assessed valuation.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

Property taxes are collected based on rates adopted in the year of the levy. The District's 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of \$1.45 per \$100 of assessed value, all of which was allocated to maintenance and operations. The resulting tax levy was \$59,395 on the adjusted taxable value of \$4,096,216.

Property taxes levied each October are intended to finance the next fiscal year and are, therefore, not considered available for the District's use during the current fiscal year. Consequently, 2024 levy collections in the amount of \$18,537 have been included with deferred property taxes and are recorded as deferred inflows of resources on the *Governmental Funds Balance Sheet*. On the government-wide *Statement of Net Position*, the full 2024 tax levy of \$208,056 is reported as deferred inflows. These amounts will be recognized as revenue in 2025.

Note 10 – Transfers to Other Governments

Fort Bend County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Fort Bend County, not the District and are recorded as transfers to other governments on the *Statement of Activities* upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended December 31, 2024, the District recorded transfers to other governments in the amount of \$6,207,861 for right-of-way acquisitions and road facilities constructed by a developer within the District.

Note 11 – Agreements with Fort Bend County Municipal Utility District No. 134D and Fort Bend County Municipal District No. 134E

Waste Disposal Agreement

On April 20, 2016, Fort Bend County Municipal Utility District No. 134E ("MUD 134E") and Fort Bend County Municipal Utility District No. 134D ("MUD 134D") entered into an agreement for the lease, construction, ownership, operation, maintenance and eventual expansion of wastewater treatment facilities to serve both districts. On October 1, 2023, the waste disposal agreement was amended and restated to include the District. The cost of designing and constructing each phase of these facilities is allocated between the District, MUD 134D and MUD 134E based on each district's pro-rata share of equivalent single-family connections. MUD 134E holds beneficial title to the joint wastewater treatment facilities, with both the District and MUD 134D having an undivided, equitable interest. MUD 134D owns 100% of capacity in phase I and 43.18% of capacity in phase II, while MUD 134E owns 56.82% of the capacity in phase II. MUD 134D's pro-rata share of the capacity in the existing plant is 58.17%, MUD 134E's share is 41.83% and the District's share is 0%. The District's projected share of the proposed package plant expansion and proposed permanent plant phase I is 17.74% and 18.64%, respectively. Each District is solely responsible for the internal collection systems necessary to deliver waste to the wastewater treatment plant.

MUD 134E is responsible for the operation and maintenance of the wastewater treatment plant and created a Joint Wastewater Treatment Plant Fund to account for associated costs and for billing participants for those costs. Operating and maintenance costs are allocated based on each district's

Fort Bend County Municipal Utility District No. 134F
Notes to Financial Statements
December 31, 2024

pro-rata share of capacity in the entire plant. In order to provide liquidity, an operating reserve was established based on three months of budgeted operating expenses.

Water Supply Contract

On April 20, 2016, MUD 134D and MUD 134E entered into an agreement for the construction, ownership, operation, maintenance and expansion of a water plant to serve both districts. On October 1, 2023, the water supply agreement was amended and restated to include the District. The cost of designing and constructing each phase of these facilities is allocated between the District, MUD 134D and MUD 134E based on each district's pro-rata share of equivalent single-family connections. During the previous fiscal year, the MUD 134D and MUD 134E completed the construction of a joint water plant to provide a permanent source of water supply to the residents and customers of both districts. Each district is solely responsible for the internal water distribution systems necessary to deliver water from the water plants to customer within their respective district.

MUD 134E shall hold beneficial title to the joint water plant, with MUD 134D, MUD 134E and the District having an undivided, equitable interest. As of December 31, 2024, MUD 134D's pro-rata capacity of plant is 63.3%, MUD 134E's share is 36.7% and the District's share is 0.00%. It is anticipated that the District will purchase 341 equivalent single-family connections in the joint water plant September, 2025. Until such time, the District will pay its share of fixed operation and maintenance costs at an estimated pro-rata capacity in the plant of 4.00%, which will be trued up based on monthly active connections upon the District's purchase of capacity. During the current fiscal year, the District recorded expenditures of \$11,968 for its share of operation and maintenance costs.

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 13 – Concentration of Risk

Approximately 100% of the taxable property within the District is owned by the top 10 taxpayers. Since property taxes are a primary source of revenue for the General Fund, the continued ability of these taxpayers to continue to pay their property taxes is an important factor in the District's ability to meet its future obligations.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 134F
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	\$ -	\$ 1,150	\$ 8,249	\$ 7,099
Sewer service		2,650	17,428	14,778
Property taxes		60,000	59,405	(595)
Penalties and interest			1,001	1,001
Regional Water Authority fees		500	9,569	9,069
Tap connection and inspection		358,200	646,595	288,395
Miscellaneous			100	100
Investment earnings		500	4,481	3,981
Total Revenues		423,000	746,828	323,828
Expenditures				
Current service operations				
Purchased services			11,968	(11,968)
Professional fees	55,000	67,000	58,341	8,659
Contracted services	4,800	37,800	131,004	(93,204)
Repairs and maintenance		7,000	21,207	(14,207)
Administrative	18,035	18,935	16,263	2,672
Other	100	600	7,785	(7,185)
Capital outlay		180,000	238,224	(58,224)
Total Expenditures	77,935	311,335	484,792	(173,457)
Revenues Over (Under) Expenditures	(77,935)	111,665	262,036	150,371
Other Financing Sources				
Developer advances	77,935	38,965	38,965	
Net Change in Fund Balance		150,630	301,001	150,371
Fund Balance				
Beginning of the year	(24,478)	(24,478)	(24,478)	
End of the year	\$ (24,478)	\$ 126,152	\$ 276,523	\$ 150,371

Fort Bend County Municipal Utility District No. 134F
Notes to Required Supplementary Information
December 31, 2024

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the fiscal year to reflect changes in anticipated revenues and expenditures.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 134F
TSI-1. Services and Rates
December 31, 2024

1. Services provided by the District During the Fiscal Year:

<input checked="" type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input type="checkbox"/> Solid Waste / Garbage	<input checked="" type="checkbox"/> Drainage
<input checked="" type="checkbox"/> Retail Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks / Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Roads	<input type="checkbox"/> Security
<input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)			
<input type="checkbox"/> Other (Specify): _____			

2. Retail Service Providers

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:	\$ 10.29	10,000	N	\$ 0.60	10,001 to 15,000
				\$ 0.80	15,001 to 20,000
				\$ 1.10	20,001 to 25,000
				\$ 1.40	25,001 to 30,000
				\$ 2.50	30,001 to no limit
Wastewater:	\$ 25.00	-0-	Y		
Surcharge:	\$ 5.01	1,000	N		

District employs winter averaging for wastewater usage? ☐ Yes ☒ No

Total charges per 10,000 gallons usage: Water \$ 60.34 Wastewater \$ 25.00

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	146	146	x 1.0	146
1"	114	114	x 2.5	285
1.5"			x 5.0	
2"	6	6	x 8.0	48
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	266	266		479
Total Wastewater	257	257	x 1.0	257

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F
TSI-1. Services and Rates
December 31, 2024

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

*Gallons purchased:	<u>2,568,000</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>2,568,000</u>	(Gallons billed / Gallons purchased)
		<u>100.00%</u>

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ☐ No ☒

If yes, Date of the most recent commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes ☐ No ☒

If yes, Date of the most recent commission Order: _____

5. Location of District:

Is the District located entirely within one county? Yes ☒ No ☐

County(ies) in which the District is located: Fort Bend County

Is the District located within a city? Entirely ☐ Partly ☐ Not at all ☒

City(ies) in which the District is located: _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely ☐ Partly ☒ Not at all ☐

ETJs in which the District is located: City of Houston and City of Richmond

Are Board members appointed by an office outside the district? Yes ☐ No ☒

If Yes, by whom? _____

*Purchased from Fort Bend County Municipal Utility District No. 134E

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F
TSI-2. General Fund Expenditures
For the Year Ended December 31, 2024

Purchased services	<u>11,968</u>
Professional fees	
Legal	\$ 46,341
Audit	<u>12,000</u>
	<u>58,341</u>
Contracted services	
Bookkeeping	5,405
Operator	2,947
Tax Assessor Collector	14,120
Inspection	106,912
Appraisal District	<u>1,620</u>
	<u>131,004</u>
Repairs and maintenance	<u>21,207</u>
Administrative	
Directors fees	9,724
Insurance	1,995
Other	<u>4,544</u>
	<u>16,263</u>
Other	<u>7,785</u>
Capital outlay	<u>238,224</u>
Total expenditures	<u><u>\$ 484,792</u></u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F
TSI-4. Taxes Levied and Receivable
December 31, 2024

	Maintenance Taxes	
Taxes Receivable, Beginning of Year	\$	59,395
2024 Original Tax Levy		202,600
Adjustments		5,456
Adjusted Tax Levy		208,056
Total to be accounted for		267,451
Tax collections:		
Current year		18,537
Prior years		59,395
Total Collections		77,932
Taxes Receivable, End of Year	\$	189,519
Taxes Receivable, By Years		
2024	\$	189,519
	2024	2023
Property Valuations:		
Land	\$ 14,770,008	\$ 7,937,252
Exemptions	(421,328)	(3,841,036)
Total Property Valuations	\$ 14,348,680	\$ 4,096,216
Tax Rates per \$100 Valuation:		
Maintenance tax rates	\$ 1.45	\$ 1.45
Adjusted Tax Levy:	\$ 208,056	\$ 59,395
Percentage of Taxes Collected to Taxes Levied ***	8.91%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.50 on November 7, 2023

** Maximum Parks and Recreation Tax Rate Approved by Voters: \$0.10 on November 7, 2023

*** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F
TSI-5. Long-Term Debt Service Requirements
Series 2024 Road--by Years
December 31, 2024

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1, September 1</u>	<u>Total</u>
2025	\$ -	\$ 109,393	\$ 109,393
2026	80,000	156,275	236,275
2027	85,000	153,075	238,075
2028	85,000	149,675	234,675
2029	90,000	146,275	236,275
2030	95,000	140,425	235,425
2031	100,000	134,250	234,250
2032	105,000	127,750	232,750
2033	110,000	123,419	233,419
2034	115,000	118,881	233,881
2035	120,000	114,138	234,138
2036	125,000	109,038	234,038
2037	130,000	103,725	233,725
2038	135,000	98,200	233,200
2039	145,000	92,294	237,294
2040	150,000	85,950	235,950
2041	160,000	79,387	239,387
2042	165,000	72,187	237,187
2043	175,000	64,762	239,762
2044	180,000	56,887	236,887
2045	190,000	48,562	238,562
2046	200,000	39,775	239,775
2047	210,000	30,525	240,525
2048	220,000	20,813	240,813
2049	230,000	10,638	240,638
	<u>\$ 3,400,000</u>	<u>\$ 2,386,299</u>	<u>\$ 5,786,299</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F
TSI-6. Change in Long-Term Bonded Debt
December 31, 2024

	Bond Issue
	Series 2024
	Road
Interest rate	4.00% - 6.50%
Dates interest payable	3/1; 9/1
Maturity dates	9/1/26 - 9/1/49
Beginning bonds outstanding	\$ -
Bonds issued	3,400,000
Ending bonds outstanding	\$ 3,400,000
Interest paid during fiscal year	\$ -
Paying agent's name and city	
Series 2024 Road	Zions Bancorporation, National Association, Houston, Texas

	Water, Sewer and Drainage Bonds	Water, Sewer and Drainage Refunding Bonds	Parks and Recreational Facilities Bonds	Parks and Recreational Facilities Refunding Bonds
Bond Authority:				
Amount Authorized by Voters	\$ 221,000,000	\$ 221,000,000	\$ 35,000,000	\$ 35,000,000
Amount Issued				
Remaining To Be Issued	\$ 221,000,000	\$ 221,000,000	\$ 35,000,000	\$ 35,000,000

	Road Bonds	Road Refunding Bonds
Bond Authority:		
Amount Authorized by Voters	\$ 78,000,000	\$ 78,000,000
Amount Issued	(3,400,000)	
Remaining To Be Issued	\$ 74,600,000	\$ 78,000,000

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of December 31, 2024:	\$ 234,813
Average annual debt service payment (principal and interest) for remaining term of all debt:	\$ 231,452

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F

**TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Two Fiscal Years**

	Amounts		Percent of Fund Total Revenues	
	2024	2023**	2024	2023**
Revenues				
Water service	\$ 8,249	\$ -	1%	-%
Sewer service	17,428		2%	-
Property taxes	59,405		8%	-
Penalties and interest	1,001		*	-
Regional Water Authority fees	9,569		1%	-
Tap connection and inspection	646,595		87%	-
Miscellaneous	100		*	-
Investment earnings	4,481		1%	-
Total Revenues	746,828		100%	-
Expenditures				
Current service operations				
Purchased services	11,968		2%	-
Professional fees	58,341	46,377	8%	-
Contracted services	131,004	1,401	18%	-
Repairs and maintenance	21,207		3%	-
Administrative	16,263	7,675	2%	-
Other	7,785	25	1%	-
Capital outlay	238,224		32%	-
Total Expenditures	484,792	55,478	66%	-
Revenues Over (Under) Expenditures	\$ 262,036	\$ (55,478)	34%	-%
Total Active Retail Water Connections	266	-		
Total Active Retail Wastewater Connections	257	-		

*Percentage is negligible

** Five-month period

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 134F

*TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Current Fiscal Year*

	Amounts	Percent of Fund Total Revenues
	2024	2024
Revenues		
Investment earnings	\$ 400	100%
Expenditures	-	0%
Revenues Over Expenditures	\$ 400	100%

See accompanying auditor's report.

***Fort Bend County Municipal Utility District No. 134F
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended December 31, 2024***

Complete District Mailing Address: 9 Greenway Plaza, Suite 1000, Houston, TX 77046
District Business Telephone Number: 713-651-0111
Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): May 16, 2024
Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200
(Set by Board Resolution -- TWC Section 49.060)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Terry Delasalle	07/23 - 05/26	\$ 1,768	\$ 667	President
Brittany Brown	07/23 - 05/28	2,210	236	Vice President
Abigail Stanhouse	07/23 - 05/26	1,326	64	Secretary
Carlos Flores	07/23 - 05/28	2,431	227	Assistant Secretary
Alyson Herzog	07/23 - 05/26	1,989	281	Assistant Secretary

		Amounts Paid	
Consultants			
Coats Rose, P.C.	07/23		Attorney
<i>General legal fees</i>		\$ 50,979	
<i>Bond counsel</i>		169,886	
Si Enviromental, LLC	11/23	309,569	Operator
L&S District Services, LLC	07/23	5,220	Bookkeeper
Tax Tech, Inc.	07/23	12,000	Tax Collector
Fort Bend Central Appraisal District	Legislation	700	Property Valuation
LJA Engineering, Inc.	07/23		Engineer
McGrath & Co., PLLC	2024	25,750	Auditor
Robert W. Baird & Co.	07/23	132,261	Financial Advisor

* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.

See accompanying auditor's report.