OFFICIAL STATEMENT DATED NOVEMBER 13, 2025

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, ASSUMING CONTINUING COMPLIANCE BY THE DISTRICT (HEREINAFTER DEFINED) AFTER THE DATE OF INITIAL DELIVERY OF THE BONDS DESCRIBED BELOW (THE "BONDS") WITH CERTAIN COVENANTS CONTAINED IN THE BOND ORDER (HEREINAFTER DEFINED) AUTHORIZING THE BONDS AND SUBJECT TO THE MATTERS SET FORTH UNDER "TAX MATTERS" HEREIN, INTEREST ON THE BONDS FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS (1) WILL BE EXCLUDABLE FROM THE GROSS INCOME OF THE OWNERS THEREOF PURSUANT TO SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED TO THE DATE OF INITIAL DELIVERY OF THE BONDS (THE "CODE"), AND (2) WILL NOT BE AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX; HOWEVER, SUCH INTEREST MAY BE TAKEN INTO ACCOUNT IN DETERMINING THE "ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME" (AS DEFINED IN SECTION 56A OF THE CODE) OF "APPLICABLE CORPORATIONS" (AS DEFINED IN SECTION 59(K) OF THE CODE) FOR THE PURPOSE OF COMPUTING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" HEREIN.

The District has designated the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions" herein.

NEW ISSUE – Book Entry Only **NOT RATED**

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

(A Political Subdivision of the State of Texas, located within Collin County)

$4,970,000
UNLIMITED TAX ROAD BONDS
SERIES 2025

Dated: December 1, 2025
Interest Accrues From: Date of Delivery Due: September 1, as shown on inside cover

The $4,970,000 Unlimited Tax Road Bonds, Series 2025 (the "Bonds") are obligations of Collin County Municipal Utility District No. 5 (the "District") and are not obligations of the State of Texas; Collin County, Texas; the City of Lavon, Texas; nor any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Collin County, Texas; the City of Lavon, Texas; nor any entity other than the District is pledged to the payment of principal of or interest on the Bonds.

The Bonds will be registered in the name of 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 the Paying Agent/Registrar directly to DTC, which, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS – Book-Entry-Only System" herein for further information.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). The Bonds are dated December 1, 2025 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about December 10, 2025 (the "Date of Delivery"), with interest payable March 1, 2026, and each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners ("Registered Owners") as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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

The Bonds constitute the first series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"). Voters of the District authorized the issuance of the following: $494,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"), $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System, $310,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a the Road System, and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System. Following the issuance of the Bonds, $494,000,000 principal amount of unlimited tax bonds for Utility System purposes, $305,030,000 principal amount of unlimited tax bonds for Road System purposes, $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will constitute valid and legally binding obligations of the District and be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN RISK FACTORS AS DESCRIBED HEREIN. SEE "RISK FACTORS" HEREIN.

The Bonds are offered, when, as and if issued by the District, subject, among other things, to the approval of the Attorney General of Texas and the approval of certain legal matters by Winstead PC, Dallas, Texas, Bond Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about December 10, 2025.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS

$4,970,000 Unlimited Tax Road Bonds, Series 2025

<u>$1,415,000 Serial Bonds</u>

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 19475E (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 19475E (b)
2027	$110,000	6.500%	3.600%	AA3	2032 (c)	$145,000	6.250%	4.000%	AF2
2028	120,000	6.500%	3.700%	AB1	2033 (c)	150,000	4.000%	4.100%	AG0
2029	125,000	6.500%	3.750%	AC9	2034 (c)	160,000	4.000%	4.200%	AH8
2030	130,000	6.500%	3.800%	AD7	2035 (c)	165,000	4.000%	4.300%	AJ4
2031	135,000	6.500%	3.900%	AE5	2036 (c)	175,000	4.125%	4.400%	AK1

<u>$3,555,000 Term Bonds</u>

$370,000 Term Bonds Due September 1, 2038 (c)(d), Interest Rate: 4.250%, (Price: $97.592) (a), CUSIP No. 19475E AM7(b)

$630,000 Term Bonds Due September 1, 2041 (c)(d), Interest Rate: 4.375%, (Price: $97.494) (a), CUSIP No. 19475E AQ8(b)

$730,000 Term Bonds Due September 1, 2044 (c)(d), Interest Rate: 4.625%, (Price: $98.454) (a), CUSIP No. 19475E AT2 (b)

$845,000 Term Bonds Due September 1, 2047 (c)(d), Interest Rate: 4.625%, (Price: $96.341) (a), CUSIP No. 19475E AW5(b)

$980,000 Term Bonds Due September 1, 2050 (c)(d), Interest Rate: 4.625%, (Price: $94.704) (a), CUSIP No. 19475E AZ8 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchasers (defined below). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.

(b) CUSIP numbers have been 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) Bonds maturing on September 1, 2032, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on December 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."

(d) Subject to mandatory sinking fund redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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.

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any 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.

All of the summaries of the statutes, orders, contracts, records, and 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 Winstead PC ("Bond Counsel") for further information.

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 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; however, 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 that information actually comes to its attention, the other matters described in the Official Statement until delivery of the Bonds to the Initial Purchaser (hereinafter defined), and thereafter only as specified in "OFFICIAL STATEMENT – Updating of Official Statement."

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 Official Statement for any purpose.

TABLE OF CONTENTS

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by RBC Capital Markets, LLC (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover page of this Official Statement, at a price of 97.000000% of the principal amount thereof, which resulted in a net effective interest rate of 4.798743%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

RBC Capital Markets, LLC (RBCCM or the Underwriter) and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer.

RBCCM has entered into a distribution arrangement with its affiliate City National Securities, Inc. (CNS). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Bonds.

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.

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 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 acts 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 jurisdictions.

MUNICIPAL BOND INSURANCE

The District made applications for a commitment for municipal bond guaranty insurance on the Bonds but did not qualify.

RATING

The District has not made an application for a rating on the Bonds. Furthermore, it is not expected that the District would have been successful in obtaining an investment grade rating on the Bonds had such application been made.

[Remainder of this Page Intentionally Left Blank]

OFFICIAL STATEMENT SUMMARY

The following 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 summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or described herein.

THE BONDS

The District	Collin County Municipal Utility District No. 5 (the "District"), a political subdivision of the State of Texas, is located in Collin County, Texas and within the extraterritorial jurisdiction of the City of Lavon, Texas. The District was confirmed at an election held on November 8, 2022. See "THE DISTRICT."
The Bonds	The District is issuing its $4,970,000 Unlimited Tax Road Bonds, Series 2025 (the "Bonds"). The Bonds are dated December 1, 2025 and mature on September 1 in each of the years and principal amounts set forth on the inside cover page. Interest accrues from the initial date of delivery (expected to be on or about December 10, 2025) (the "Delivery Date"), at the rates per annum set forth on the inside cover page and is payable on March 1, 2026, and each September 1 and March 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS."
Redemption of the Bonds	<u>*Optional Redemption*</u>: The Bonds maturing on or after September 1, 2032, are subject to redemption, in whole or from time to time in part, on December 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."" <u>*Mandatory Redemption*</u>: The Bonds maturing on September 1 in the years 2038, 2041, 2044, 2047, and 2050, are term bonds (the "Term Bonds"). The Term Bonds are subject to certain mandatory sinking fund redemption provisions as set forth herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), to Cede & Co., which 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 "THE BONDS – Book-Entry-Only System."
Authority for Issuance	The Bonds are issued pursuant to (i) an order of the District's Board of Directors authorizing the issuance of the Bonds (the "Bond Order"); (ii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; and (iii) an election held within the District on May 4, 2024. See "THE BONDS – Authority for Issuance."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, levied upon all taxable property within the District, without legal limitation as to rate or

amount. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Collin County, Texas; the City of Lavon, Texas; or any other political subdivision or entity other than the District. See "THE BONDS – Source of Payment."

Payment Record.. The Bonds constitute the first series of unlimited tax bonds issued by the District.

Voted Authorization.. At an election held on May 4, 2024, voters of the District authorized the issuance of the following: $494,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"), $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System, $310,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a the Road System, and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

Following the issuance of the Bonds, $494,000,000 principal amount of unlimited tax bonds for Utility System purposes, $305,030,000 principal amount of unlimited tax bonds for Road System purposes, $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued. The authorized bond amounts from the May 4, 2024 election replaced previously authorized bond amounts. See "THE BONDS – Authority for Issuance."

Use of Bond Proceeds.. Proceeds from the sale of the Bonds will be used to reimburse the Developer (as defined herein) for the improvements and related engineering and land costs as shown herein under "THE BONDS – Estimated Use and Distribution of Bond Proceeds." Additionally, a portion of the proceeds of the Bonds will be used to pay eighteen (18) months of capitalized interest on the Bonds, developer interest and certain costs associated with the issuance of the Bonds. See "THE BONDS – Estimated Use and Distribution of Bond Proceeds."

Qualified Tax-Exempt Obligations................ The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS –Qualified Tax-Exempt Obligations for Financial Institutions."

Municipal Bond Insurance .... The District made applications for a commitment for municipal bond guaranty insurance on the Bonds but did not qualify.

Rating... The District has not made an application for a rating on the Bonds. See "RATING."

Bond Counsel and General Counsel .... Winstead PC, Dallas, Texas. See "LEGAL MATTERS."

Disclosure Counsel .... McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

Financial Advisor.. Robert W. Baird & Co. Incorporated, Houston, Texas.

District Engineer... Southland Consulting Engineers, Inc., Dallas, Texas.

Consulting Engineer.. Jones-Heroy & Associates, Inc., Dallas, Texas.

THE DISTRICT

Description.. The District was created by the Texas Commission on Environmental Quality (the "TCEQ") on November 6, 2020, as a municipal utility district. The District was confirmed at an election held on November 8, 2022. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas applicable to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, as amended. The District is subject to the continuing supervision of the TCEQ. The District consists of approximately 515.25 total acres. See "THE DISTRICT."

Location .... The District is located in Collin County, Texas, approximately 34 miles northeast of downtown Dallas and partially within the extraterritorial jurisdiction of the City of Lavon, Texas (the "City"). The District is located within Wylie Independent School District.

Developer .... Hillstead Land, LLC, a Texas limited liability company ("Hillstead Land" or "the Developer") has developed Hillstead Phase 1 on approximately 67.71 acres as 281 single-family lots. To date, the Developer owns approximately 447.54 acres within the District.

Hillstead Land is an affiliate of Provident Realty Advisors, Inc., a Texas corporation ("PRA"). No representations or assurances can be made regarding the plans of any Developer for (i) future development, if any, of the remaining phases of developable land within the District, or (ii) the sale of any Developer's land within the District. See "THE DEVELOPER" herein.

Status of Development .... To date, approximately 67.71 acres within the District have been developed as 281 total single-family lots in Hillstead, Phase 1. As of October 1, 2025, the District included approximately 92 completed homes (approximately 80 occupied, 7 unoccupied, and 5 model homes); approximately 18 homes under construction; and approximately 171 vacant developed lots.

The remaining land in the District includes approximately 96.50 acres planned for development as additional single-family residential sections; approximately 2.21 acres on which an amenity center has been constructed; and approximately 261.64 acres that are undevelopable. In addition, approximately 87.19 acres (335 lots) are under development as Hillstead, Phase 2. See "DEVELOPMENT WITHIN THE DISTRICT."

Homebuilders within the District .... The active homebuilders in the District are Highland Homes, American Legend Homes, Perry Homes, Drees Homes, and Coventry Homes (contracted in Phase 2). Prices of homes being constructed in the District range from $370,000 to $705,000 and range in size from 1,600 square-feet to 4,300 square-feet. See "DEVELOPMENT OF THE DISTRICT – Homebuilders within the District."

RISK FACTORS

THE BONDS ARE SUBJECT TO CERTAIN RISK FACTORS. PROSPECTIVE PURCHASERS SHOULD REVIEW THIS ENTIRE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "RISK FACTORS," BEFORE MAKING AN INVESTMENT DECISION.

[Remainder of this Page Intentionally Left Blank]

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2025 Taxable Assessed Valuation	$	51,829,051	(a)
Estimate of Value as of October 1, 2025	$	69,160,000	(b)
Direct Debt:			
The Bonds	$	4,970,000	
Total	$	4,970,000	
Estimated Overlapping Debt	$	3,224,410	(c)
Total Direct and Estimated Overlapping Debt	$	8,194,410	(c)
Direct Debt Ratios:			
As a percentage of the 2025 Taxable Assessed Valuation		9.59	%
As a percentage of the Estimate of Value as of October 1, 2025		7.19	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2025 Taxable Assessed Valuation		15.81	%
As a percentage of the Estimate of Value as of October 1, 2025		11.85	%
Road System Debt Service Fund Balance (as of the Date of Delivery)	$	355,556	(d)
General Operating Fund Balance (as of October 29 2025)	$	33,386	(e)
2025 Tax Rate			
Utility System Debt Service		$ –	
Road System Debt Service		$ –	
Maintenance and Operations		$ 1.100	
Total		$ 1.100	(f)
Average Annual Debt Service Requirement (2026-2050)	$	340,624	(g)
Maximum Annual Debt Service Requirement (2050)	$	360,956	(g)
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds (2026-2050):			
Based on the 2025 Taxable Assessed Valuation at 95% Tax Collections	$	0.70	
Based on the Estimate of Value as of October 1, 2025, at 95% Tax Collections	$	0.52	
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2050):			
Based on the 2025 Taxable Assessed Valuation at 95% Tax Collections	$	0.74	
Based on the Estimate of Value as of October 1, 2025, at 95% Tax Collections	$	0.55	

(a) As certified by the Collin Central Appraisal District ("Appraisal District""). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for information purposes only. This amount is an estimate of the taxable value of all taxable property in the District as of October 1, 2025 and includes an estimate of value resulting from the construction of new taxable improvements in the District from January 1, 2025, to October 1, 2025. No taxes will be levied on this estimate. See "TAX PROCEDURES" and "TAX DATA."

(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."

(d) Represents eighteen (18) months of capitalized interest to be deposited in the Road System Debt Service Fund (herein defined) upon closing and delivery of the Road Bonds. Neither Texas law nor the Bond Order (herein defined) requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System.

(e) See "RISK FACTORS – Operating Funds."

(f) See "TAX DATA – Tax Rate Distribution."

(g) See "DISTRICT DEBT – Debt Service Requirement Schedule."

OFFICIAL STATEMENT
relating to
COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

$4,970,000
UNLIMITED TAX ROAD BONDS
SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Collin County Municipal Utility District No. 5 (the "District") of its $4,970,000 Unlimited Tax Road Bonds, Series 2025 (the "Bonds").

The Bonds are issued pursuant to (i) an order authorizing the issuance of the Bonds (the "Bond Order"), adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds, (ii) Article III, Section 52 of the Texas Constitution, (iii) the general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and (iv) an election held by the District on May 4, 2024.

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Upon payment of reasonable copying, mailing and handling charges, copies of such documents may be obtained from the District at Winstead PC, Attn: Sarah Landiak, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201 or during the offering period from the District's financial advisor, Robert W. Baird & Co. Incorporated, Attn: Ryan Nesmith, 6363 N. State Highway 161, Suite 310, Irving, TX 75038.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas; Collin County, Texas; the City of Lavon, Texas (the "City"); or any political subdivision other than the District, the Bonds will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied by the District upon 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 development and construction industries, not only due to general economic conditions, but also due to the particular factors discussed below.

Increase in Costs of Building Materials

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many homebuilders and general contractors to experience budget overruns. Further, the unpredictable nature of current trade policy (including the threatened imposition of tariffs) may impact the ability of the developers or homebuilders in the District to estimate costs. Additionally, immigration policies may affect the State's workforce, and any labor shortages that could occur may impact the rate of construction within the District. Uncertainty surrounding availability and cost of materials may result in decreased levels of construction activity, and may restrict the growth of property values in the District. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the developers or homebuilders.

Factors Affecting Taxable Values and Tax Payments

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on construction activity, particularly on short-term interest rates at which Developer are able to obtain financing for development costs.

Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 34 miles from the central downtown business district of the City of Dallas, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Dallas metropolitan and regional economies and the national financial and credit markets. A downturn in the economic conditions of Dallas and the nation could adversely affect development plans in the District and restrain the growth of the District's property tax base.

Competition: The demand for and construction of single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in the northern portion of the Dallas area market. In addition to competition for new home sales from other developments, there are numerous previously owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District. The competitive position of a builder in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Economic Factors: The rate of development of the District is directly related to the vitality of the future residential, commercial, retail, and multi-family industries. New residential, commercial, retail, and multi-family construction can be significantly affected by factors such as interest rates, construction costs, energy costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District other than that which has occurred to date.

Dependence on Principal Taxpayers: The District is in the early stages of development. Accordingly, there is a high concentration of ownership of taxable property. The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers as of January 1, 2025 owned approximately 73.23% of the assessed value of property located in the District. In addition, the Developer (herein defined) owned approximately 19.72% of the assessed value of property located in the District as of January 1, 2025. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers or (ii) less concentrated in property owned by a relatively small number of property owners than it is currently. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements, the availability of which is uncertain. See "– Tax Collection Limitations" below and "THE DEVELOPER" herein.

Developer Under No Obligation to the District: The Developer has informed the District of its current plans to continue to develop land in the District for residential purposes. However, the Developer is not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, or any other subsequent landowners to whom a party may sell all or a portion of their holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell their land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts and failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developer (see "TAX DATA – Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developer will be or what effect, if any, such conditions may have on their ability to pay taxes. See "THE DEVELOPER" and "DEVELOPMENT WITHIN THE DISTRICT."

<u>Maximum Impact on District Tax Rate</u>: 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 District property owners to pay their taxes. The taxable assessed valuation of all taxable property located within the District as of January 1, 2025 is $51,829,051, and the estimate of taxable assessed valuation as of September 1, 2025 is $69,160,000. See "TAX DATA."

After issuance of the Bonds, the maximum annual debt service requirement on the Bonds is $360,956 (2050), and the average annual debt service requirement on the Bonds is $252,787 (2026–2050). Assuming no increase to nor decrease from the taxable assessed valuation as of January 1, 2025, tax rates of $0.74 and $0.70 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to nor decrease from the estimate of taxable assessed valuation as of September 1, 2025, tax rates of $0.55 and 0.52 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. See "TAX DATA – Tax Rate Calculations."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. For the 2025 tax year, the District has levied a total tax rate of $1.10 per $100 of assessed valuation comprised of a maintenance and operation tax rate of $1.10 per $100 of assessed valuation. Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District.

Operating Funds

The District's only sources of operating revenue is maintenance tax revenue as well as water and wastewater revenues collected from its residents. The District levied a 2025 maintenance tax of $1.10 per $100 of assessed valuation. The District's general fund balance as of October 29, 2025, was $33,385.73. The revenue produced from a $1.10 maintenance tax in 2025 or a reduced maintenance tax in subsequent years may not be sufficient to offset the operating expenses of the District. Continued maintenance of a positive general fund balance will depend upon (1) cash subsidies from the Developer and (2) continued development and increased amounts of maintenance tax revenues. If funds from these sources are not forthcoming, the District would have to increase its maintenance tax rate.

The District intends to levy its first debt service tax rate for the 2026 tax year.

Vacant Developed Lots

As of September 1, 2025, approximately 169 developed lots within the District remained available for construction. Failure of the Developer and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas 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 taxing authorities on the property against which taxes are levied, and such lien may be enforced by 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 procedures 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, by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within six (6) months of foreclosure unless the property is his residence homestead or designated for agricultural use, in which case the taxpayer may redeem the property within two years of foreclosure). Finally, any 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. The District's lien on taxable property within the District for taxes levied against such property can be foreclosed only in a judicial proceeding.

Bondholders' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered holders of the Bonds ("Bondholders") have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not provide for remedies to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Bondholders.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's governmental immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Bondholders may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of Bondholders may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9 of the Federal Bankruptcy Code ("Chapter 9"), thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to a Bondholder could potentially and adversely impair the value of the Bondholder's claim.

If the petitioning District were allowed to proceed voluntarily under Chapter 9, it could file a plan for an adjustment of its debts. If such a plan was confirmed by the bankruptcy court, it could, among other things, affect Bondholders by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Bondholders' claims against the District.

The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds (other than the initial reoffering yields) and has no control over the trading of the Bonds in the secondary market. There is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

At an election on May 4, 2024, voters of the District authorized the issuance of the following: $494,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"), $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System, $310,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a the Road

System, and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

Following the issuance of the Bonds, $494,000,000 principal amount of unlimited tax bonds for Utility System purposes, $305,030,000 principal amount of unlimited tax bonds for Road System purposes, $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued. The authorized bond amounts from the May 4, 2024 election replaced previously authorized bond amounts.

Following reimbursement with proceeds of the Bonds, the District will owe the Developer approximately $14,046,056 for construction of Utility System facilities on behalf of the District and $3,079,577 for construction of Road System facilities on behalf of the District based on the most recent information and estimations available to date.

Based on present engineering costs estimates and on development plans supplied by the Developers, in the opinion of the Engineer, following the issuance of the Bonds, the remaining principal amount of authorized but unissued bonds is sufficient to fully reimburse the Developers for the existing facilities and to finance the water, sewer and drainage facilities and roads necessary to serve the remaining undeveloped but developable land within the District. If the amount of remaining voted authorization is insufficient, the District would need to hold an election to request additional voted bonds.

Additional bonds may hereafter be approved by the voters of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt to property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Bonds issued for water, sewer, and drainage purposes are required to be approved by the TCEQ.

Continuing Compliance with Certain Covenants

The Bond Order contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "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.

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 Dallas-Fort Worth area. Under the Clean Air Act ("CAA") Amendments of 1990, a ten-county Dallas-Fort Worth area ("2008 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties – has been designated a "severe" nonattainment area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard") effective November 7, 2022, with an attainment year of 2026. The "severe" nonattainment classification 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.

Further, a nine-county Dallas-Fort Worth area ("2015 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Tarrant, and Wise Counties has been designated a "serious" nonattainment area under the eight-hour ozone standard of 70 ppb promulgated by the EPA in 2015 (the "2015 Ozone Standard"), effective July 22, 2024. The requirements for an area designated as "serious" vary and establish several attainment deadlines ranging from January 1, 2026 to January 1, 2028, with such deadlines applicable to the specific requirements of the EPA's final action.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the 2008 and 2015 DFW Areas 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 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 2008 and 2015 DFW Areas to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the area's economic growth and development. As a result of the DFW Area's reclassification, the TCEQ must submit revisions of the SIP to the EPA no later than January 1, 2026, addressing the "serious" nonattainment classification.

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 DFW 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 Polyflouroalkyl 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), 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 nonstormwater discharges into surface water in the state. It 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 TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit 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 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.

In 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 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 Regional District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Potential Impact of Natural Disaster

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.

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.

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 of the Board authorizing the issuance of the Bonds. A copy of the Bond Order may be obtained from the District upon request and payment of the costs for duplication thereof. 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 are dated December 1, 2025. Interest on the Bonds accrues from the initial date of delivery (on or about December 10, 2025) (the "Date of Delivery"), and is payable on March 1, 2026, and each September 1 and

March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds mature on September 1 of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover page hereof.

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. Initially, principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, 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 ("Registered Owners") 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 to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owner at the risk and expense of such Registered Owner.

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.

Record Date

The record date for payment of the interest on any regularly scheduled Interest Payment Date is defined as the 15th day of the month (whether or not a business day) preceding such Interest Payment Date.

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, 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 maturity of the Bonds 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 3.5 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+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. 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).

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 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 District or Paying Agent/Registrar, 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 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 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 Bondholders.

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 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.

The information concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Successor Paying Agent/Registrar

Provision is made in the Bond Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a legally qualified national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority to act as and perform the services of Paying Agent/Registrar for the Bonds under the Bond Order.

Registration, Transfer and Exchange

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas. 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. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within forty-five (45) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is 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 Paying Agent/Registrar of security or indemnity as may be required by either of them 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 are issued by the District pursuant to (i) the Bond Order, (ii) Article III, Section 52 of the Texas Constitution, (iii) the general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and (iv) an election held by the District on May 4, 2024.

Source of Payment

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and the interest thereon, and of such additional tax bonds of the District as may hereafter be authorized by District voters, if any, and subsequently issued, are payable from and secured by the proceeds of a continuing annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "TAX PROCEDURES" and "TAX DATA – Tax Rate Calculations" for tax adequacy, manner of assessing and collecting taxes, and the remedies of the District in the event of tax delinquencies; and "Bondholders' Remedies" below for the remedies available to Bondholders in the event of default in the performance of any of the covenants set forth in the Bond Order or in the event of default in the payment of principal of or interest on the Bonds.

The Bonds are obligations solely of the District and are not obligations of the State of Texas; Collin County, Texas; the City; or any political subdivision other than the District.

Annexation

Under existing Texas law, because the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City without the District's consent, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. The District may be annexed and dissolved by the City only if (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 land owners, consenting to annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, subject to the requirements of Chapter 43 of the Texas Local Government Code, as amended, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should the annexation occur.

Redemption of the Bonds

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, on December 1, 2031, or on any date thereafter, at a price equal to the principal amount 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 registered mail, overnight delivery, or other comparably secure means, to each registered securities depository (and to each national information service that disseminates redemption notices). If fewer than all of the Bonds are optionally redeemed at any time, the particular maturities and amounts of Bonds to be optionally redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity, and if fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar (or DTC in accordance with its procedures while the Bonds are in book-entry-only form) shall designate by method of random selection the Bonds within such maturity to be redeemed. If the Book-Entry-Only System is discontinued, the Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption: The Bonds maturing on September 1 in the years 2038, 2041, 2044, 2047, and 2050 are term bonds (the "Term Bonds"), and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption ("Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$370,000 Term Bonds Maturing on September 1, 2038

Mandatory Redemption Date	Principal Amount
September 1, 2037	$ 180,000
September 1, 2038 (Maturity)	$ 190,000

$630,000 Term Bonds Maturing on September 1, 2041

Mandatory Redemption Date	Principal Amount
September 1, 2039	$ 200,000
September 1, 2040	$ 210,000
September 1, 2041 (Maturity)	$ 220,000

$730,000 Term Bonds Maturing on September 1, 2044

Mandatory Redemption Date	Principal Amount
September 1, 2042	$ 230,000
September 1, 2043	$ 245,000
September 1, 2044 (Maturity)	$ 255,000

$845,000 Term Bonds Maturing on September 1, 2047

Mandatory Redemption Date	Principal Amount
September 1, 2045	$ 270,000
September 1, 2046	$ 280,000
September 1, 2047 (Maturity)	$ 295,000

$980,000 Term Bonds Maturing on September 1, 2050

Mandatory Redemption Date	Principal Amount
September 1, 2048	$ 310,000
September 1, 2049	$ 325,000
September 1, 2050 (Maturity)	$ 345,000

The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the direction of the District, by the principal amount of any Term Bonds of such maturity which, at least fifty (50) days prior to a Mandatory Redemption Date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the District with monies in the applicable debt service fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirements.

Defeasance

The Bond Order provides that the District may discharge its obligations to the Bondholders of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas 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 of payment (paying agent) for obligations of the District payable from revenues or from ad valorem taxes or both with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be currently 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.

There is no assurance that the current law will not be changed in a manner which would permit other investments to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Bondholders may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law. There is also no assurance that any investment held for such discharge will maintain its rating.

District Annexation and Consolidation

In certain circumstances, under Texas law, the District may alter its boundaries to: (1) upon satisfying certain conditions, annex additional territory; and (2) exclude land subject to taxation within the District that is not served by District facilities if the District simultaneously annexes land of equal acreage and value that may be practicably served by District facilities. No representation is made concerning the likelihood that the District would affect any changes in its boundaries.

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 liabilities (such as the Bonds), with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Funds

The Bond Order establishes the District's fund for debt service on the Bonds for the Road System, and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). At closing, eighteen (18) months of capitalized interest on the Bonds will be deposited from the proceeds from sale of the Bonds 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 Bonds issued for the Road System, 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 Bonds issued for the Road System, 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 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.

Issuance of Additional Debt

At an election on May 4, 2024, voters of the District authorized the issuance of the following: $494,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"), $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System, $310,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a the Road System, and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

Following the issuance of the Bonds, $494,000,000 principal amount of unlimited tax bonds for Utility System purposes, $305,030,000 principal amount of unlimited tax bonds for Road System purposes, $617,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $387,500,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued. The authorized bond amounts from the May 4, 2024 election replaced previously authorized bond amounts.

Following reimbursement with proceeds of the Bonds, the District will owe the Developer approximately $14,046,056 for construction of Utility System facilities on behalf of the District and $3,079,577 for construction of Road System facilities on behalf of the District based on the most recent information and estimations available to date.

Based on present engineering costs estimates and on development plans supplied by the Developers, in the opinion of the Engineer, following the issuance of the Bonds, the remaining principal amount of authorized but unissued bonds is sufficient to fully reimburse the Developers for the existing facilities and to finance the water, sewer and drainage facilities and roads necessary to serve the remaining undeveloped but developable land within the District. If the amount of remaining voted authorization is insufficient, the District would need to hold an election to request additional voted bond authority.

Additional bonds may hereafter be approved by the voters of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt to property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Bonds issued for water, sewer, and drainage purposes are required to be approved by the TCEQ.

The amount of bonds issued and the remaining authorized but unissued bonds following the issuance of the Bonds are summarized below:

Election Date	Purpose	Amount Authorized	Issued to Date	Remaining Unissued
5/4/2024	Utility System	$494,000,000	–	$494,000,000
5/4/2024	Road System	310,000,000	$4,970,000 (a)	305,030,000
5/4/2024	Utility System Refunding	617,500,000	–	617,500,000
5/4/2024	Road System Refunding	387,500,000	–	387,500,000

(a) The Bonds.

Bondholders' Remedies

The Bond Order contains a covenant that, while any of the Bonds are outstanding, there shall be assessed, levied, and collected an annual ad valorem tax, without legal limit as to rate or amount, on all taxable property within the District, sufficient to pay principal of and interest on the Bonds, and any additional tax-supported bonds when due and to pay the expenses necessary in collecting taxes. Texas law and the Bond Order provide that in the event that the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order into the Utility System Debt Service Fund or the Road System Debt Service Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Order, any Bondholder shall be entitled at any time to a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation, or condition prescribed by the Bond Order. Such right is in addition to all other rights the Bondholders may be provided by the laws of the State of Texas.

Except for mandamus, the Bond Order does not specifically provide for remedies to a Bondholder in the event of a District default, nor do they provide for the appointment of a trustee to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default. Consequently, the remedy of mandamus is a remedy which may have to be relied upon from year to year by the Bondholders.

Even if the Bondholders could obtain a judgment against the District, such judgment could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Certain traditional legal remedies also may be unavailable. The enforceability of the rights and remedies of the Bondholders may be further limited by federal bankruptcy laws, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. See "Bankruptcy Limitation to Bondholders' Rights" below.

No Arbitrage

The District will certify, on the date of delivery of the Bonds, that based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Bankruptcy Limitation to Bondholders' Rights

Other than a writ of mandamus and other relief authorized by law, the Bond Order does not expressly provide a specific remedy for a default. Even if a Bondholder could obtain a judgment against the District for a default in the payment of principal or interest, such judgment could not be satisfied by execution against any property of the District. If the District defaults, a Bondholder could petition for a writ of mandamus issued by a court of competent jurisdiction requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Order. Such remedy might need to be enforced on a periodic basis. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. See "RISK FACTORS – Bondholders' Remedies," and "– Bankruptcy Limitation to Bondholders' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to the Public Securities Procedures Act, Chapter 1201, Texas Government Code, as amended, and Section 49.186, Texas Water Code, the Bonds, whether rated or unrated, are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State of Texas. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such law that the Bonds have a rating of not less than "A" or its equivalent to be legal investments for such entity's funds. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State of Texas or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value.

The District has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The District has made no investigation of any other laws, rules, regulations, or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

[Remainder of this Page Intentionally Left Blank]

Estimated Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developer for the improvements and related engineering and costs as shown below. Additionally, a portion of the proceeds of the Bonds will be used to pay eighteen (18) months of capitalized interest, developer interest and certain costs associated with the issuance of the Bonds.

Construction Costs	Amount
1. Hillstead Phase 1 - Roads	$ 1,639,178
2. Hillstead Phase 1 - Grading	595,899
3. Engineering & Testing	1,545,734
Total Construction Costs	$ 3,780,811
Non-Construction Costs	
A. Legal Fees	$ 124,250
B. Fiscal Agent Fees	99,400
C. Interest	
1. Capitalized Interest (18 Months)	355,556
2. Developer Interest	383,574
D. Underwriter's Discount	149,100
E. Bond Issuance Expenses	47,488
F. Bond Engineering Report	24,850
G. Attorney General Fee (0.10% or $9,500 max)	4,970
Total Non-Construction Costs	$ 1,189,188
TOTAL BOND ISSUE REQUIREMENT	**$ 4,970,000**

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. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued.

[Remainder of this Page Intentionally Left Blank]

DISTRICT DEBT

2025 Taxable Assessed Valuation	$	51,829,051	(a)
Estimate of Value as of October 1, 2025	$	69,160,000	(b)
Direct Debt:			
The Bonds	$	4,970,000	
Total	$	4,970,000	
Estimated Overlapping Debt	$	3,224,410	(c)
Total Direct and Estimated Overlapping Debt	$	8,194,410	(c)
Direct Debt Ratios:			
As a percentage of the 2025 Taxable Assessed Valuation		9.59	%
As a percentage of the Estimate of Value as of October 1, 2025		7.19	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2025 Taxable Assessed Valuation		15.81	%
As a percentage of the Estimate of Value as of October 1, 2025		11.85	%
Road System Debt Service Fund Balance (as of the Date of Delivery)	$	372,750	(d)
General Operating Fund Balance (as of October 29 2025)	$	33,386	(e)
2025 Tax Rate			
Utility System Debt Service		$ –	
Road System Debt Service		$ –	
Maintenance and Operations		$ 1.100	
Total		$ 1.100	(f)
Average Annual Debt Service Requirement (2026-2050)	$	340,624	(g)
Maximum Annual Debt Service Requirement (2050)	$	360,956	(g)
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds (2026-2050):			
Based on the 2025 Taxable Assessed Valuation at 95% Tax Collections	$	0.70	
Based on the Estimate of Value as of October 1, 2025, at 95% Tax Collections	$	0.52	
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2050):			
Based on the 2025 Taxable Assessed Valuation at 95% Tax Collections	$	0.74	
Based on the Estimate of Value as of October 1, 2025, at 95% Tax Collections	$	0.55	

(a) As certified by the Collin Central Appraisal District ("Appraisal District""). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for information purposes only. This amount is an estimate of the taxable value of all taxable property in the District as of October 1, 2025 and includes an estimate of value resulting from the construction of new taxable improvements in the District from January 1, 2025, to October 1, 2025. No taxes will be levied on this estimate. See "TAX PROCEDURES" and "TAX DATA."

(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."

(d) Represents eighteen (18) months of capitalized interest to be deposited in the Road System Debt Service Fund (herein defined) upon closing and delivery of the Road Bonds. Neither Texas law nor the Bond Order (herein defined) requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System.

(e) See "RISK FACTORS – Operating Funds."

(f) See "TAX DATA – Tax Rate Distribution."

(g) See "DISTRICT DEBT – Debt Service Requirement Schedule."

Direct and Estimated Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the *Texas Municipal Reports* published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the 2025 Taxable Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

Taxing Jurisdiction	Outstanding Debt September 30, 2025	Overlapping Percent	Overlapping Amount
Collin County	$ 982,755,000	0.02%	$ 187,954
Collin County Community College District	438,250,000	0.02	92,840
Wylie Independent School District	629,119,927	0.47	2,943,616
Total Estimated Overlapping Debt			$ 3,224,410
Direct Debt (a)			$ 4,970,000
Total Direct and Estimated Overlapping Debt			$ 8,194,410

(a) Includes the Bonds.

Debt Ratios

Direct Debt Ratios (a):	
As a percentage of 2025 Taxable Assessed Valuation	9.59 %
As a percentage of Estimate of Value as of September 1, 2025	7.19 %
Direct and Estimated Overlapping Debt Ratios (a):	
As a percentage of 2025 Taxable Assessed Valuation	15.81 %
As a percentage of Estimate of Value as of September 1, 2025	11.85 %

(a) Includes the Bonds.

Under Texas law, ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administration and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy and collect ad valorem taxes for operation and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. See “TAX DATA – Tax Rate Distribution.”

[Remainder of this page intentionally left blank.]

Debt Service Requirement Schedule

The following schedule sets forth the principal and interest requirements of the Bonds. Totals may not sum due to rounding.

	The Bonds		
Calendar Year	Principal	Interest	Total Debt Service
2026	$ -	$ 171,852	$ 171,852
2027	110,000	237,038	347,038
2028	120,000	229,888	349,888
2029	125,000	222,088	347,088
2030	130,000	213,963	343,963
2031	135,000	205,513	340,513
2032	145,000	196,738	341,738
2033	150,000	187,675	337,675
2034	160,000	181,675	341,675
2035	165,000	175,275	340,275
2036	175,000	168,675	343,675
2037	180,000	161,456	341,456
2038	190,000	153,806	343,806
2039	200,000	145,731	345,731
2040	210,000	136,981	346,981
2041	220,000	127,794	347,794
2042	230,000	118,169	348,169
2043	245,000	107,531	352,531
2044	255,000	96,200	351,200
2045	270,000	84,406	354,406
2046	280,000	71,919	351,919
2047	295,000	58,969	353,969
2048	310,000	45,325	355,325
2049	325,000	30,988	355,988
2050	345,000	15,956	360,956
Total	$4,970,000	$ 3,545,608	$ 8,515,608

Average Annual Debt Service Requirement (2026–2050) $340,624

Maximum Annual Debt Service Requirement (2050) $360,956

[Remainder of this page intentionally left blank.]

TAX 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 that the District may hereafter issue for the purpose of constructing or acquiring the Road System (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The Board is also authorized to levy an annual ad valorem tax, without legal limit as to rate or amount, on all taxable property in the District in sufficient amount to pay the principal of and interest on any bonds payable from taxes that the District has heretofore or may hereafter issue for the purpose of acquiring or constructing the Utility System (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. In the Bond Order, the District agrees to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water, wastewater and drainage system and road system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA – Tax Rate Limitation."

Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Tax Code are complex and are not fully summarized herein.

The Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Collin Central Appraisal District (the "Appraisal District" or "CCAD") has the responsibility for appraising property for all taxing units within Collin County, including the District. Such appraisal values are subject to review and change by the Collin County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll as approved by the Appraisal Review Board must be used by the District in establishing its tax roll and tax rate.

Exempt Property

General: Except for certain exemptions provided by Texas 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 of Texas 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. The District has not adopted disabled or over-65 exemptions.

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. 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. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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 June 30. The District has not adopted a general homestead exemption.

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil 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 certain tangible personal property as defined by the Tax Code. The exemption excludes oil, natural gas, petroleum products, aircraft, and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicles, dealer's heavy equipment, and retail manufactured housing inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is further limited to tangible personal property acquired in or imported into Texas for storage purposes and which 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 personal property. For tax year 2012 and subsequent years, 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. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not taken official action to allow taxation of all such goods-in-transit personal property.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District 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. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

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, open space land, and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three years. It is not known what frequency of reappraisals will be utilized by the Appraisal District 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 Appraisal District 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 Appraisal District chooses to formally include such values on its appraisal roll.

Reappraisal of Property after Disaster

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% physically 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.

Agricultural, Open Space, Timberland, and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture 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 such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District 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 some political subdivisions and not as to others. If a claimant receives the 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 for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. The Developer has executed waivers of special appraisal, waiving their rights to special valuation as to taxation on property within the District.

Assessment and Levy of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity or private tax assessor/collector approved by the Board. Each year the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due when billed, 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. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. In addition, if the District engages an attorney for the collection of delinquent taxes, the Board may impose a further penalty not to exceed twenty percent (20%) on all taxes, penalty, and interest unpaid on July 1. The Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition of review in state district court. 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. Additionally, taxing units may bring suit against the CCAD to compel compliance with the Tax Code.

The Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda, which could result in the repeal of certain tax increases. The Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

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 for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim 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 applicable 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. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "RISK FACTORS – Tax Collection Limitations" and "– Bondholders' Remedies."

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies municipal utility districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a 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 herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, 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 can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to Chapter 49 is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

Special Taxing Units 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 in the district, subject to certain homestead exemptions, are required to hold an 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 Special Taxing Unit is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

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 in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an 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 the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, 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 Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Special Taxing Unit 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 in the district, 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 the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

The District

A determination as to the District's status as a Special Taxing Unit, Developed District or Developing District is made on an annual basis. For the 2025 tax year, the District was classified as 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 election calculation.

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of an 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 for the purpose of acquiring or constructing the Utility System or Road System that 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, in an unlimited amount, for operation and maintenance purposes. The District levied a total tax of $1.10 per $100 of assessed valuation for the 2025 tax year, composed of a maintenance and operations tax rate of $1.10. The District anticipates levying its first debt service tax in 2026. It is anticipated that the District's tax rate will be composed of a maintenance and operations tax rate, a utility system debt service tax rate, and a road system debt service tax rate in the future.

Tax Rate Limitation

Utility System Debt Service:	Unlimited (no legal limit as to rate or amount)
Road System Debt Service:	Unlimited (no legal limit as to rate or amount)
Maintenance & Operation:	$1.20 per $100 Assessed Valuation

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

Tax Year	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 09/30/2025
2023	$69,155	$1.100	$761	100.00%	2024	100.00%
2024	10,970,292	1.100	120,673	100.00%	2025	100.00%
2025	51,829,051	1.100	570,120	(a)	2026	(a)

(a) In process of collection.

Tax Rate Distribution

	2025 (a)	2024	2023
Road System Debt Service	–	–	–
Utility System Debt Service	–	–	–
Maintenance	1.1000	1.1000	1.1000
Total	$1.1000	$1.1000	$1.1000

(a) The District anticipates levying its first debt service tax rate in 2026.

Taxable Assessed Valuation Summary

The following represents the type of property comprising the 2023 – 2025 tax rolls as certified by the Appraisal District.

Type of Property	2025 Assessed Taxable Valuation	2024 Assessed Taxable Valuation	2023 Assessed Taxable Valuation
Land	$ 44,914,980	$17,951,385	$ 5,816,343
Improvements	15,442,741	40,822	–
Personal Property	123,500	–	–
Exemptions	(8,652,170)	(7,021,915)	(5,747,188)
Total	$ 51,829,051	$ 10,970,292	$ 69,155

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the Appraisal District's original certification of the appraisal rolls for the 2025 tax year. The values and percentages below are subject to adjustment due to supplemental certifications of the 2025 appraisal rolls by the Appraisal District.

Taxpayer	Types of Property	Taxable Value 2025 Tax Roll	Percent of District Value (c)
Hillstead Land LLC (a)	Land & Improvements	$ 10,218,442	19.72%
Perry Homes LLC (b)	Land & Improvements	8,980,792	17.33%
Drees Custom Homes LP (b)	Land & Improvements	7,041,088	13.59%
American Legend Homes LLC (b)	Land & Improvements	6,212,991	11.99%
Highland Homes - Dallas LLC (b)	Land & Improvements	2,865,446	5.53%
Homeowner	Land & Improvements	564,160	1.09%
Homeowner	Land & Improvements	529,590	1.02%
Homeowner	Land & Improvements	516,828	1.00%
Homeowner	Land & Improvements	513,424	0.99%
Homeowner	Land & Improvements	510,578	0.99%
Total		$ 37,953,339	73.23%

(a) See "THE DEVELOPER."
(b) See "DEVELOPMENT WITHIN THE DISTRICT – Homebuilders within the District."
(c) See "RISK FACTORS - Factors Affecting Taxable Values and Tax Payments – *Dependence on Principal Taxpayers*."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation that would be required to meet certain debt service requirements on the Bonds if no growth occurs in the District's tax base beyond the District's 2025 Taxable Assessed Valuation and the Estimate of Value as of

September 1, 2025. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, and no sale of additional bonds by the District.

Average Annual Debt Service Requirement (2026–2050)	$340,624
Combined Debt Service Tax Rate of $0.70 on the 2025 Taxable Assessed Valuation produces	$344,663
Combined Debt Service Tax Rate of $0.52 on the Estimate of Value as of September 1, 2025 produces	$341,650
Maximum Annual Debt Service Requirement (2050)	$360,956
Combined Debt Service Tax Rate of $0.74 on the 2025 Taxable Assessed Valuation produces	$364,358
Combined Debt Service Tax Rate of $0.55 on the Estimate of Value as of September 1, 2025 produces	$361,361

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2025 taxes levied upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District.

In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	2025 Tax Rate Per $100 of A.V.
The District	$1.100000
Collin County	0.149343
Collin College	0.081220
Wylie Independent School District	1.175200
Estimated Total Tax Rate	$2.505763

THE DISTRICT

General

The District was created by the Texas Commission on Environmental Quality (the "TCEQ") on November 6, 2020, as a municipal utility district and confirmed at an election held within the District on November 8, 2022. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas applicable to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, as amended. The District is subject to the continuing supervision of the TCEQ. The District consists of approximately 515.25 total acres.

The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the construction of roadway facilities, and is also empowered to provide 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 and operate and maintain recreational facilities. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. Fire protection for the District is provided by City of Lavon, Texas (the "City"). The District is subject to the continuing supervision of the TCEQ.

Location

The District is located in Collin County, Texas, approximately 34 miles northeast of downtown Dallas and partially within the extraterritorial jurisdiction of the City. The District is located within Wylie Independent School District.

Management of the District

The District is governed by the Board consisting of five directors, who have control over and management supervision of all affairs of the District. All of the directors own property in the District. The directors serve four-year staggered terms. Elections are held in May of even-numbered years. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Thomas Frierson	President	2028
MaRetta Dyer	Vice President	2026
Orlando Batista	Secretary	2028
Julia Brantley	Assistant Secretary	2026
Justine Cohn	Assistant Secretary	2028

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

General Counsel and Bond Counsel: The District has engaged Winstead PC, Dallas, Texas, as Bond Counsel in connection with the issuance of the Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Winstead PC also serves as the District's general counsel. See "LEGAL MATTERS."

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, Texas, serves as Disclosure Counsel to the District. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance 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.

Tax Assessor/Collector: Land and improvements in the District are being appraised by the Collin Central Appraisal District. The Tax Assessor/Collector is appointed by the Board. Kenneth Maun, Chief Appraiser of the Collin Central Appraisal District, currently serves the District in this capacity under contract

Bookkeeper: The District contracts with Dye & Tovery, LLC, for bookkeeping services.

Auditor: The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC to audit its financial statements for the fiscal year ended June 30, 2025. The District's audited financial statements are attached as "APPENDIX A" to this Official Statement.

Operator: The District's facilities are operated by Inframark.

District Engineer: The District's engineer is Southland Consulting Engineers, Inc. (the "Engineer").

Consulting Engineer: The consulting engineer consulting on the Bonds is Jones-Heroy & Associates, Inc. (the "Consulting Engineer").

[Remainder of this Page Intentionally Left Blank]

DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

To date, approximately 67.71 acres within the District have been developed as 281 total single-family lots in Hillstead, Phase 1. As of October 1, 2025, the District included approximately 92 completed homes (approximately 80 occupied, 7 unoccupied, and 5 model homes); approximately 18 homes under construction; and approximately 171 vacant developed lots.

The remaining land in the District includes approximately 96.50 acres planned for development as additional single-family residential sections; approximately 2.21 acres on which an amenity center has been constructed; and approximately 261.64 acres that are undevelopable. In addition, approximately 87.19 acres (335 lots) are under development as Hillstead, Phase 2.

The table below summarizes the development within the District as of October 1, 2025.

Hillstead:	Acreage	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Phase 1	67.71	281	92	18	171
Total	67.71	281	92	18	171
Residential Under Construction (a)	87.19				
Undevelopable	261.64				
Amenity Center	2.21				
Remaining Developable	96.50				
District Total	515.25				

(a) Consists of Phase 2 (335 lots on 87.19 acres).

Homebuilders within the District

The active homebuilders in the District are Highland Homes, American Legend Homes, Perry Homes, Drees Homes, and Coventry Homes (contracted in Phase 2). Prices of homes being constructed in the District range from $370,000 to $705,000 and range in size from 1,600 square-feet to 4,300 square-feet.

[Remainder of this page intentionally left blank.]

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(October 2025)

PHOTOGRAPHS TAKEN IN THE DISTRICT

(October 2025)

THE DEVELOPER

Role of the 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 Developer or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to thirty percent (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.

Description of the Developer

Hillstead Land, LLC, a Texas limited liability company ("Hillstead Land" or "the Developer") has developed Hillstead Phase 1 on approximately 67.71 acres as 281 single-family lots. The Developer is a single purpose entity formed for the purpose of developing the land it owns within the District. The District makes no representation as to the likelihood of the planned development to occur or the pace at which the planned development might occur. The Developer is a thinly capitalized corporation whose assets consist primarily of the land in the District and the receivables due from the District for development costs. The Developer has minimal net revenues.

Hillstead Land is an affiliate of Provident Realty Advisors, Inc., a Texas corporation ("PRA"). No representations or assurances can be made regarding the plans of any Developer for future development, if any, of the remaining phases of developable land within the District.

Developer Financing

In March, 2025, the Developer obtained a Revolving Line of Credit from Veritex Bank, secured by approximately 80 acres and 335 lots within the District. The Revolving Line of Credit has a maximum principal balance of $26,600,000 of which approximately $7,738,878 was outstanding as of October 1, 2025 and matures in April, 2028. The Developer also has an additional $3,300,000 line of credit secured and collateralized by the remaining developed lots in Hillstead Phase 1. According to the Developer, both lines of credit are in compliance with all material conditions of the loans.

Lot-Sales Contracts

The Developer has entered lot-sales contracts with Highland Homes, American Legend Homes, Drees Homes, Perry Homes, and Coventry Homes. The contracts for the sale of lots with the builders require that earnest money be deposited with a title company, typically 15% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with the earnest money deposit being returned to the builders upon purchase of the last lots under each contract. Generally, a developer's sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit.

According to the Developer, each of the builders is in compliance with their respective lot-sales contracts. As of September 1, 2025, the total number of lots contracted and purchased by each builder is listed below

Homebuilder	Total Lots Contracted	Total Lots Purchased
Drees Homes	105	48
Perry Homes	199	64
American Legend Homes	124	50
Coventry Homes	49	–
Highland Homes	125	53
Totals	602	215

Construction and Reimbursement Agreements

The District is a party to agreements for the construction and purchase of facilities and reimbursement for costs and amendment thereto with the Developer, which define the conditions under which the District will issue additional bonds to reimburse the Developer for the water, wastewater, drainage and roadway facilities within and outside the District. Under the terms of the agreements, the District has agreed to repay the cost of facilities through a series of bond sales over time. The District's obligation to issue bonds and reimburse the Developer for funds advanced for facilities is subject to various conditions, including approval of such facilities and bonds by the TCEQ, when required by the rules of the TCEQ, approval of the bonds by the Attorney General of Texas, and the recommendation of the District's financial advisor that the sale of the bonds is feasible and prudent.

THE UTILITY SYSTEM

Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ and the City. According to the Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

Operation of the District's waterworks and sewer treatment facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Water Supply

The District is located within the Bear Creek Special Utility District ("Bear Creek SUD") and obtains retail water service via a nonstandard service agreement (the "Agreement") with the special utility district. The District constructs the water lines and then Bear Creek SUD accepts the lines, operates and maintains them. Per the Agreement, Bear Creek SUD will provide sufficient water capacity to serve the ultimate build-out of the District (Approximately 950 ESFCS). The District does not maintain any water facilities.

Wastewater Treatment

The District has constructed a wastewater treatment plant ("WWTP") that will be online later this year. The District provides retail wastewater service to its residents. The District owns and operates its own WWTP and wastewater system. Once completed, the WWTP will have the capacity to treat 300,000 gallons per day ("GPD") with its first phase, which is sufficient to serve approximately 950 ESFCs at full-buildout based on average daily flow ("ADF") of 256.5 GPD per living unit equivalent ("LUE").The District is currently pumping and hauling all wastewater flows from the District.

Drainage

The District drains into street curbs and gutters then out to the west into Bear Creek which flows into Camp Creek and eventually into Lake Ray Hubbard. The drainage system is maintained by the District.

100 Year Flood Plain

According to the Federal Emergency Management Agency Map Panel No 48085C0555J dated June 2, 2009, approximately 281.7 acres within the District are located in the effective 100-year floodplain. Approximately 19.2 acres have been filled above the 100-year base flood elevation, and are in the process of being removed from the effective floodplain via a Letter of Map Revision (LOMR) submittal to FEMA.

THE ROAD SYSTEM

Certain of the District's roadway facilities and improvements (the "Road System") have been and will be funded by the Developer and reimbursable with proceeds of unlimited tax bonds issued for the Road System. The roadways within the District are constructed with concrete and provide local interior service within the District. the Road System also includes streetlights and street signs. The Road System is maintained by the District.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Winstead PC, Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Bondholders may be limited by laws relating to governmental immunity, bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount upon all taxable property within the District, and that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and is not an item of tax preference for purposes of the federal alternative minimum tax.

In addition to serving as Bond Counsel, Winstead PC, also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to 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. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Disclosure Counsel.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Legal Review

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income of the holders for federal tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for the subsections "Book-Entry-Only System," and "– Estimated Use and Distribution of Proceeds of the Bonds"), "TAX PROCEDURES," "THE DISTRICT – General," and "– Management of the District – Bond Counsel and General Counsel," "THE SYSTEM," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection "– Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by the authorized members of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

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 financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of sale.

TAX MATTERS

Opinion

Winstead PC, Dallas, Texas, Bond Counsel will render its opinion that, under existing law, and assuming compliance with certain covenants and the accuracy of certain representations, discussed below, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from federal gross income. Included among these continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, yield and other restrictions on the investment of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Failure to comply with these continuing requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of their issuance. The District has covenanted to comply with certain procedures, and has made certain representations and certifications designed to assure compliance with these Code requirements. In rendering its opinion, Bond Counsel will rely on these covenants, on representations and certifications of the District relating to matters solely within its knowledge (which Bond Counsel has not independently verified), and will assume continuing compliance by the District.

The statutes, regulations, published rulings, and court decisions on which Bond Counsel has based its opinion are subject to change by Congress, as well as to subsequent judicial and administrative interpretation by courts and the Internal Revenue Service (the "Service"). No assurance can be given that such law or its interpretation will not change in a manner that would adversely affect the tax treatment of receipt or accrual of interest on, or the acquisition, ownership, market value, or disposition of, the Bonds. No ruling concerning the tax treatment of the Bonds has been sought from the Service, and the opinion of Bond Counsel is not binding on the Service. The Service has an ongoing audit program of tax-exempt obligations to determine whether, in the Service's view, interest on such tax-exempt obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit were to be commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. In this regard, in responding to or defending an audit with respect to the Bonds, the District might have different or conflicting interests from those of the owners of the Bonds.

An “applicable corporation” (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its “adjusted financial statement income” (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation’s “adjusted financial statement income,” ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the Initial Purchaser made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds, the manner in which the proceeds of the Bonds are to be invested, the reporting of certain information to the United States Treasury, and rebating any arbitrage profits to the United States Treasury. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from date of the issuance of the Bonds.

The opinions set forth above are based on existing law and Bond Counsel’s knowledge of relevant facts on the date of issuance of the Bonds. Such opinions are an expression of professional judgment and are not a guarantee of result. Except as stated above, Bond Counsel expresses no opinion regarding any other federal, state, or local tax consequences under current law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition, ownership, or disposition of, the Bonds. Further, Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the issuance date of the Bonds. In addition, Bond Counsel has not undertaken to advise in the future whether any events occurring after the issuance date of the Bonds may affect the tax-exempt status of interest on the Bonds.

Original Issue Discount

Certain of the Bonds (the “Discount Bonds”) may be offered and sold to the public at an “original issue discount” (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of such Bonds. In general, the issue price of Discount Bonds is the first price at which a substantial amount of Discount Bonds of the same maturity are sold to the public (other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).

For federal income tax purposes, OID accrues to the owner of a Discount Bond over such Discount Bond’s period to maturity based on the constant interest rate method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). Bond Counsel is of the opinion that the portion of OID that accrues during the ownership period of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as is other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of that Discount Bond. OID may be treated as continuing to accrue even if payment of the Discount Bonds becomes doubtful in the event that the District encounters financial difficulties, and it is treated as interest earned by cash-basis owners, even though no cash corresponding to the accrual is received in the year of accrual. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond.

The federal income tax consequences of the acquisition, ownership, redemption, sale, or other disposition of Discount Bonds not purchased in the initial offering at the initial offering price may be determined according to rules different from those described above. Owners of such Discount Bonds should consult their tax advisors regarding the federal, state, and local income tax treatment and consequences of acquisition, ownership, redemption, sale, or other disposition of such Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds (the “Premium Bonds”) may be offered and sold to the public at prices greater than their stated redemption prices (the principal amount) payable at maturity (“Bond Premium”). In general, under section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium

Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by section 884 of the Code.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. PROSPECTIVE 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, owners 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 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 owner 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 of 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.

Changes in Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest.

In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made 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, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data annually. The financial information and operating data which will be provided is found in the section titled "APPENDIX A – Financial Statements of the District." The District will update and provide this information to the MSRB through its EMMA system within six months after the end of each of its fiscal years ending in or after 2026. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements within such period and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is June 30. Accordingly, it must provide updated information by the end of December in each year commencing in 2026, 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 business 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 status of the Bonds, or other events affecting the tax 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; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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, any of which reflect financial difficulties.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District; (ii) or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and order of a court or governmental authority; or (iii) the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The term "financial obligation" shall mean, for purposes of the events in clauses (15) and (16), a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a (a) or (b); provided that financial obligation shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12. The term "material" when used in this subsection shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order make any provision for debt service reserves or liquidity enhancement.

In addition, the District will provide timely notice of any failure by the District to provide information, data, financial statements, or notices in accordance with its agreement described above.

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB through its EMMA system 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 operations of the District, but only if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the SEC Rule 15c2-12, 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 SEC Rule 15c2-12 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 such amendment would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to such amendment and any amendments or interpretations of SEC Rule 15c2-12.

Compliance with Prior Undertakings

The Bonds are the District's first issuance of unlimited tax bonds; therefore, the District has not previously entered into any continuing disclosure agreements in accordance with SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, 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 under "Certification of Official Statement." The summaries of the statutes, resolutions 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 June 30, 2025, were prepared by McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, has agreed to the publication of its audit opinion on such financial statements in this Official Statement.

Experts

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM," has been provided by Southland Consulting Engineers and Jones-Heroy & Associates, Inc. Such information has been included herein in reliance upon the authority of said firms 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 contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Collin Central Appraisal District, in reliance upon the authority of said appraisal district as an expert in the field of tax assessing and real property appraisal.

Updating of Official Statement

The District will keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, to the other matters described in the Official Statement, until the delivery of the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification of 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 authorized members of the Board, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the information, 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 and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. This Official Statement is duly approved by the Board of Directors of the District as of the date specified on the first page hereof.

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 resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. 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 Collin County Municipal Utility District No. 5 as of the date shown on the first page thereof.

/s/ Thomas Frierson
President, Board of Directors
Collin County Municipal Utility District No. 5

ATTEST:

/s/ Orlando Batista
Secretary, Board of Directors
Collin County Municipal Utility District No. 5

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

Mike M. McCall
(retired)
Debbie Gibson
(retired)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Collin County Municipal Utility District No. 5
Collin County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Collin County Municipal Utility District No. 5 (the "District") as of and for the year ended June 30, 2025, 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 the major fund of the District as of June 30, 2025, and the respective changes in financial position 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.

Houston | Austin | Dallas
13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341

Board of Directors
Collin County Municipal Utility
District No. 5

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 the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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 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.

Board of Directors
Collin County Municipal Utility
District No. 5

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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

October 14, 2025

Management's discussion and analysis of the financial performance of Collin County Municipal Utility District No. 5 (the "District") provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for property tax revenues, developer advances, professional fees, administrative costs and any other lawfully authorized expenditures of the District.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE ANALYSIS

Net Position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $1,034,051 as of June 30, 2025. This is the District's first audit. In future years a comparative analysis of government-wide changes in net position will be presented.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the Statement of Net Position as of June 30, 2025.

Summary of the Statement of Net Position

	2025
Current and Other Assets	$ 114,997
Right-to-Use Assets (Net of Amortization)	6,518,035
Capital Assets (Net of Depreciation)	17,355,677
Total Assets	$ 23,988,709
Due to Developer	$ 18,429,737
Leases Payable	6,335,913
Other Liabilities	257,110
Total Liabilities	$ 25,022,760
Net Position	
Net Investment in Capital Assets	$ (113,618)
Unrestricted	(920,433)
Total Net Position	$ (1,034,051)

The following table provides a summary of the District's financial activities for the year ending June 30, 2025, which is the initial audit period for the District.

Summary of the Statement of Activities

	2025
Revenues:	
Property Taxes	$ 120,673
Service Revenues	127,878
Investment and Other Revenues	249
Total Revenues	$ 248,800
Total Expenses	982,925
Change in Net Position	$ (734,125)
Net Position, Beginning of Year	(299,926)
Net Position, End of Year	$ (1,034,051)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The General Fund fund balance decreased by $88,345, primarily due to operating and administrative expenditures exceeding property tax revenues, service revenues, and developer advances during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the General Fund for the current fiscal year. Actual revenues were more than budgeted revenues by $109,782, actual expenditures were less than budgeted expenditures by $51,400 and actual developer advances were $249,527 less than budgeted. The net result was a negative budget to actual variance of $88,345. See the budget to actual comparison for more information.

CAPITAL ASSETS

The District's governmental activities have invested $17,355,677 in capital assets. The capital asset detail is reflected in the following schedule:

Capital Assets At Year-End

	2025
Capital Assets Subject to Depreciation:	
Water Infrastructure	$ 3,821,254
Sewer Infrastructure	6,427,283
Drainage Facilities	2,521,957
Roads	4,199,919
Landscape Improvements	686,376
Less Accumulated Depreciation	(301,112)
Total Net Capital Assets	$ 17,355,677

RIGHT-TO-USE ASSETS AND LEASE LIABILITIES

The District leases a lift station and wastewater treatment plant facilities which are recorded as right-to-use assets totaling $6,518,035 in the government-wide financial statements in accordance with GASB Statement No. 87. Offsetting lease liabilities totaling $6,335,913 are also recorded in relation to these leases.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Collin County Municipal Utility District No. 5, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, TX 75201.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	$ 3,590	$	$ 3,590
Service Receivable	16,651		16,651
Prepaid Costs	92,756		92,756
Other	2,000		2,000
Right-to-Use Assets (Net of Accumulated Amortization)		6,518,035	6,518,035
Capital Assets (Net of Accumulated Depreciation)		17,355,677	17,355,677
TOTAL ASSETS	$ 114,997	$ 23,873,712	$ 23,988,709
LIABILITIES			
Accounts Payable	$ 254,860	$	$ 254,860
Security Deposits	2,250		2,250
Due to Developer		18,429,737	18,429,737
Long-Term Liabilities:			
Leases Payable, Due Within One Year		727,333	727,333
Leases Payable, Due After One Year		5,608,580	5,608,580
TOTAL LIABILITIES	$ 257,110	$ 24,765,650	$ 25,022,760
FUND BALANCE (DEFICIT)			
Nonspendable - Prepaid Costs	$ 92,756	$ (92,756)	$
Unassigned	(234,869)	234,869	
TOTAL FUND BALANCE (DEFICIT)	$ (142,113)	$ 142,113	$ -0-
TOTAL LIABILITIES AND FUND BALANCE	$ 114,997		
NET POSITION			
Net Investment in Capital Assets		$ (113,618)	$ (113,618)
Unrestricted		(920,433)	(920,433)
TOTAL NET POSITION		$ (1,034,051)	$ (1,034,051)

The accompanying notes to the financial statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Fund		$ (142,113)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		23,873,712
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of -		
Due to Developer	$ (18,429,737)	
Leases Payable	(6,335,913)	(24,765,650)
Total Net Position - Governmental Activities		$ (1,034,051)

The accompanying notes to the financial statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	$ 120,673	$	$ 120,673
Connection and Other Service Revenues	94,502		94,502
Sewer Service	33,376		33,376
Investment and Other Revenues	249		249
TOTAL REVENUES	$ 248,800	$ - 0 -	$ 248,800
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	$ 69,299	$	$ 69,299
Contracted Services	65,685		65,685
Repairs and Maintenance	373		373
Utilities	3,664		3,664
Sludge Hauling	406,256		406,256
Lease Payments	295,450	(231,482)	63,968
Depreciation		301,112	301,112
Amortization		49,360	49,360
Administrative and Other	23,208		23,208
TOTAL EXPENDITURES/EXPENSES	$ 863,935	$ 118,990	$ 982,925
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	$ (615,135)	$ (118,990)	$ (734,125)
OTHER FINANCING SOURCES			
Developer Advances	$ 526,790	$ (526,790)	$ -0-
NET CHANGE IN FUND BALANCE	$ (88,345)	$ 88,345	$
CHANGE IN NET POSITION		(734,125)	(734,125)
FUND BALANCE (DEFICIT) / NET POSITION - JULY 1, 2024	(53,768)	(246,158)	(299,926)
FUND BALANCE (DEFICIT) / NET POSITION - JUNE 30, 2025	$ (142,113)	$ (891,938)	$ (1,034,051)

The accompanying notes to the financial statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balance - Governmental Fund	$	(88,345)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Depreciation of capital assets and amortization of right-to-use assets are recorded in the Statement of Activities.		(350,472)
Governmental funds report lease principal payments as expenditures. However, in the Statement of Net Position, lease principal payments are reported as decreases in long-term liabilities.		231,482
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(526,790)
Change in Net Position - Governmental Activities	$	(734,125)

The accompanying notes to the financial statements are an integral part of this report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. CREATION OF DISTRICT

Collin County Municipal Utility District No. 5 (the "District") was confirmed at an election held on November 8, 2022. The District is a political subdivision of the State of Texas, created pursuant to the provisions of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and operating under the provisions of Chapters 49 and 54 of the Texas Water Code. The District is empowered, among other things, 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. The District also has road powers. The District is governed by a Board of Directors consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The District held its organizational meeting on March 26, 2021.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local 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 statement as component units.

<u>Financial Statement Presentation</u>

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification"). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Fund

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance. The District has one governmental fund and considers it to be a major fund. The General Fund accounts for property tax revenues, service revenues, developer advances, professional fees, administrative costs, and any other lawfully authorized expenditures of the District.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over 45 years assuming no salvage value.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

In accordance with a Non-Standard Service Contract with Bear Creek Special Utility District (the "SUD") (see Note 10), water facilities are conveyed to the SUD once constructed and placed in service. The SUD operates and maintains the facilities for the benefit of District residents. The District retains residual interest in such facilities which are recorded as capital assets by the District in accordance with GASB Statement No. 94.

Right-to-Use Assets

In accordance with GASB Statement No. 87, the District records its leased lift station and leased wastewater treatment plant as right-to-use assets (see Note 9). Both lease agreements have purchase options which are reasonably certain to be exercised. As a result, the right-to-use assets are being amortized over the estimated useful lives of the underlying assets of 45 years using the straight-line method.

Budgeting

A budget was 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 original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that the directors are considered "employees" for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. 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. The District does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. BOND AUTHORITY

The bond authority for the District was authorized at an election held on May 4, 2024. The District is authorized to issue bonds for utility facilities of $494,000,000, utility refunding bonds of $617,500,000, road bonds of $310,000,000 and refunding road bonds of $387,500,000. As of June 30, 2025, the District has not issued any bonds.

Subsequent to the report date, the District anticipates closing on the sale of its Series 2025 Road bonds in the approximate amount of $4,970,000. Bond proceeds will be used to reimburse the developer for road construction related costs and pay for bond issuance costs.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was $3,590 and the bank balance was $61,915. The District was not exposed to custodial credit risk at year-end. The carrying values of deposits at year end are summarized in the following table:

	Cash
GENERAL FUND	$ 3,590

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District did not own any investments during the current fiscal year.

NOTE 5. CAPITAL ASSETS

Changes in capital assets for the current fiscal year is summarized in the following table:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Subject to Depreciation				
Water Infrastructure	$	$ 3,821,254	$	$ 3,821,254
Sewer Infrastructure		6,427,283		6,427,283
Drainage Facilities		2,521,957		2,521,957
Roads		4,199,919		4,199,919
Landscape Improvements		686,376		686,376
Total Capital Assets Subject to Depreciation	$ - 0 -	$ 17,656,789	$ - 0 -	$ 17,656,789
Accumulated Depreciation				
Water Infrastructure	$	$ 95,096	$	$ 95,096
Sewer Infrastructure		81,359		81,359
Drainage Facilities		46,677		46,677
Roads		69,807		69,807
Landscape Improvements		8,173		8,173
Total Accumulated Depreciation	$ - 0 -	$ 301,112	$ - 0 -	$ 301,112
Total Capital Assets, Net of Accumulated Depreciation	$ - 0 -	$ 17,355,677	$ - 0 -	$ 17,355,677

NOTE 6. MAINTENANCE TAX

On November 8, 2022, voters of the District approved the levy and collection of a maintenance tax not to exceed $1.20 per $100 of assessed valuation of taxable property within the District. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax rate of $1.10 per $100 of assessed valuation, which resulted in a tax levy of $120,673 on the adjusted taxable valuation of $10,970,292 for the 2024 tax year. Maintenance tax revenues are to be used by the General Fund to pay for any lawfully authorized expenditures of the District. As of June 30, 2025, the entire tax levy had been collected.

All property values and exempt status, if any, are determined by the 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.

NOTE 7. UNREIMBURSED COSTS

The District and the developers have entered into financing agreements which require the developers to fund costs associated with construction of facilities serving the residents of the District in addition to providing operating advances during the early stages of the District's development. The District is responsible for reimbursing these costs from proceeds of future bond issuances. The following table summarizes amounts owed for developer advances which have been paid directly to the District which total $772,948 and construction costs paid by the developer on behalf of the District to date which total $17,656,789.

Due to Developer, July 1, 2024	$ 246,158
Add: Current Year Additions	18,183,579
Due to Developer, June 30, 2025	$ 18,429,737

NOTE 8. 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 natural disasters for which the District carries commercial insurance. There have been no significant changes in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. LEASES

On December 1, 2023, the District entered into an equipment lease agreement for a wastewater treatment plant facility. The lease became operational April 2025, and includes a five-year noncancelable term with automatic extensions for one-year periods until such time as lessor terminates or the District exercises the purchase option. As of June 30, 2025, one month of prepaid lease payment was recorded of $39,450. After the initial five-year term, the District has the option to purchase all or a portion of the leased equipment. The lease liability was measured using a five-year lease term, a discount rate of 5.00%, monthly payments of $39,450 and a purchase option of $992,121. At June 30, 2025, the lease liability for the leased wastewater treatment plant was $2,998,821.

On December 1, 2023 and amended on February 24, 2025, the District entered into an equipment lease agreement for a lift station facility. The lease became operational February 2025, and includes a five-year noncancelable term with automatic extensions for one-year periods until such time as lessor terminates or the District exercises the purchase option. As of June 30, 2025, one month of prepaid lease payment was recorded of $35,420. After the initial five-year term, the District has the option to purchase all or a portion of the leased equipment. The lease liability was measured using a five-year lease term, a discount rate of 5.00%, monthly payments of $35,420 and a purchase option of $1,591,328. At June 30, 2025, the lease liability for the leased lift station was $3,337,092.

The changes in lease liability for the current fiscal year are summarized below:

Leases Payable, July 1, 2024	$
Addition: New Lease Liabilities	6,567,395
Less: Lease Principal Paid	(231,482)
Leases Payable, June 30, 2025	$ 6,335,913

Future lease payment schedule is summarized below:

Fiscal Year	Principal	Interest	Total
2026	$ 727,333	$ 171,107	$ 898,440
2027	764,545	133,895	898,440
2028	803,661	94,779	898,440
2029	844,780	53,660	898,440
2030	3,195,594	12,155	3,207,749
Total	$ 6,335,913	$ 465,596	$ 6,801,509

NOTE 9. LEASES (Continued)

The District recognized lease payments of $295,450 in the current fiscal year. Current year activity for the leased assets is summarized below:

	July 1, 2024	Increases	Decreases	June 30, 2025
Right-to-use Asset Subject to Amortization				
Lift Station	$	$ 3,476,080	$	$ 3,476,080
Wastewater Treatement Plant		3,091,315		3,091,315
Total Right-to-use Asset Subject to Amortization	$ - 0 -	$ 6,567,395	$ - 0 -	$ 6,567,395
Less Accumulated Amortization				
Lift Station	$	$ 32,186	$	$ 32,186
Wastewater Treatement Plant		17,174		17,174
Total Accumulated Amortization	$ - 0 -	$ 49,360	$ - 0 -	$ 49,360
Right-to-use Asset, Net of Accumulated Amortization	$ - 0 -	$ 6,518,035	$ - 0 -	$ 6,518,035

NOTE 10. WATER SERVICE

On June 8, 2022, the Board approved a Non-Standard Service Contract (the "Contract") with Bear Creek Special Utility District (the "SUD"). Pursuant to the Agreement, the SUD will provide water service to the District through an extension of the SUD's water system (the "Water System Extension"). The District is responsible for construction of the Water System Extension and upon completion and final inspection, the Water System Extension will be conveyed to the SUD. In exchange, the SUD will provide water service to customers within the District on a retail basis in the same manner and at the same rates as the SUD provides service to customers. The SUD will be solely responsible for the billing and collecting for water services provided to customers within the District.

NOTE 11. DEFICIT FUND BALANCE

The District recorded a deficit fund balance in the General Fund of $142,113. The Board anticipates this deficit will be alleviated with continued growth within the District which will result in an increase in property tax revenues and service revenues.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 53,900	$ 120,673	$ 66,773
Connection and Other Service Revenues	71,313	94,502	23,189
Sewer Service	13,725	33,376	19,651
Investment and Other Revenues	80	249	169
TOTAL REVENUES	$ 139,018	$ 248,800	$ 109,782
EXPENDITURES			
Service Operations:			
Professional Fees	$ 90,000	$ 69,299	$ 20,701
Contracted Services	178,288	65,685	112,603
Repairs and Maintenance	4,355	373	3,982
Utilities	25,497	3,664	21,833
Sludge Hauling	8,227	406,256	(398,029)
Lease Payments	552,300	295,450	256,850
Administrative and Other	56,668	23,208	33,460
TOTAL EXPENDITURES	$ 915,335	$ 863,935	$ 51,400
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (776,317)	$ (615,135)	$ 161,182
OTHER FINANCING SOURCES			
Developer Advances	$ 776,317	$ 526,790	$ (249,527)
NET CHANGE IN FUND BALANCE	$ -0-	$ (88,345)	$ (88,345)
FUND BALANCE (DEFICIT) - JULY 1, 2024	(53,768)	(53,768)	
FUND BALANCE (DEFICIT) - JUNE 30, 2025	$ (53,768)	$ (142,113)	$ (88,345)

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2025

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

	Retail Water		Wholesale Water	X	Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
	Parks/Recreation	X	Fire Protection		Security
X	Solid Waste/Garbage		Flood Control	X	Roads
	Participates in joint venture, regional system and/or wastewater service				
X	Other (specify): Emergency Medical Service				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

The following rates are based on the rate order approved September 10, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	N/A*				
WASTEWATER:	$ 75.00				

REGULATORY ASSESSMENT FEE: 0.5% of sewer service fee

FIRE SERVICE AND EMERGENCY MEDICAL SERVICE: $16.67 / month

GARBAGE SERVICE: $28.98 / month

	Yes	No
District employs winter averaging for wastewater usage?		X

Total charges per 10,000 gallons usage: Sewer: $75.00 Regulatory Assessment Fee: $0.38
Fire/Emergency: $16.67 Garbage: $28.98 Total: $121.03

*Water service is provided by Bear Creek Special Utility District (see Note 10).

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
5/8”			x 1.0	
≤¾”			x 1.0	
1”			x 2.5	
1½”			x 5.0	
2”			x 8.0	
3”			x 15.0	
4”			x 25.0	
6”			x 50.0	
8”			x 80.0	
10”			x 115.0	
Total Water Connections	N/A*	N/A*		N/A*
Total Wastewater Connections	142	56	x 1.0	56

*Water service is provided by Bear Creek Special Utility District (see Note 10).

See accompanying independent auditor’s report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

3. TOTAL WATER CONSUMPTION: NOT APPLICABLE

4. STANDBY FEES: NOT APPLICABLE

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes __X__ No _____

County in which District is located: Collin County, Texas

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

Entirely _____ Partly __X__ Not at all _____

City's ETJ in which the District is located: City of Lavon, Texas

Is the District located within a City?

Entirely _____ Partly _____ Not at all __X__

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

PROFESSIONAL FEES:		
Engineering	$	14,160
Legal		55,139
TOTAL PROFESSIONAL FEES	$	69,299
CONTRACTED SERVICES:		
Appraisal District	$	938
Bookkeeping		19,211
Operations		40,856
Solid Waste		4,680
TOTAL CONTRACTED SERVICES	$	65,685
REPAIRS AND MAINTENANCE	$	373
UTILITIES	$	3,664
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	8,558
Insurance		5,962
Lease Payments		295,450
Travel and Meetings		2,153
Website and Other		3,444
TOTAL ADMINISTRATIVE EXPENDITURES	$	315,567
OTHER EXPENDITURES:		
Chemicals	$	794
Inspection Fees		2,297
Sludge Hauling		406,256
TOTAL OTHER EXPENDITURES	$	409,347
TOTAL EXPENDITURES	$	863,935

See accompanying independent auditor’s report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	Maintenance Taxes	
TAXES RECEIVABLE -		
JULY 1, 2024	$	
Adjustments to Beginning Balance		$ -0-
Original 2024 Tax Levy	$ 139,063	
Adjustment to 2024 Tax Levy	(18,390)	120,673
TOTAL TO BE ACCOUNTED FOR		$ 120,673
TAX COLLECTIONS:		
Prior Years	$	
Current Year	120,673	120,673
TAXES RECEIVABLE - JUNE 30, 2025		$ -0-

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	2024
PROPERTY VALUATIONS:	
Land	$ 17,951,385
Improvements	40,822
Exemptions	(7,021,915)
TOTAL PROPERTY VALUATIONS	$ 10,970,292
TAX RATES PER $100 VALUATION -	
Maintenance	$ 1.10
ADJUSTED TAX LEVY*	$ 120,673
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	100.00 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of $1.20 per $100 of assessed valuation was approved by voters on November 8, 2022.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - ONE YEAR

	Amounts	Percentage of Total Revenues
	2025	2025
REVENUES		
Property Taxes	$ 120,673	48.5 %
Connection and Other Service Revenues	94,502	38.0
Sewer Service	33,376	13.4
Investment and Other Revenues	249	0.1
TOTAL REVENUES	$ 248,800	100.0 %
EXPENDITURES		
Professional Fees	$ 69,299	27.9 %
Contracted Services	65,685	26.4
Repairs and Maintenance	373	0.1
Utilities	3,664	1.5
Sludge Hauling	406,256	163.3
Lease Payments	295,450	118.8
Administrative and Other	23,208	9.3
TOTAL EXPENDITURES	$ 863,935	347.3 %
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ (615,135)	(247.2) %
OTHER FINANCING SOURCES		
Developer Advances	$ 526,790	
NET CHANGE IN FUND BALANCE	$ (88,345)	
BEGINNING FUND BALANCE (DEFICIT)	(53,768)	
ENDING FUND BALANCE (DEFICIT)	$ (142,113)	
TOTAL ACTIVE RETAIL WATER CONNECTIONS	See Note 10	
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	56	

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

District Mailing Address	Collin County Municipal Utility District No. 5 c/o Winstead PC 2728 N. Harwood Street, Suite 500 Dallas, TX 75201
District Telephone Number	(214) 745-5400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2025	Expense Reimbursements for the year ended June 30, 2025	Title
Thomas Frierson	05/24 05/28 (Elected)	$ 1,650	$ 91	President
MaRetta Dyer	11/22 05/26 (Elected)	$ 1,800	$ 495	Vice President
Orlando Batista	05/24 05/28 (Elected)	$ 1,500	$ 540	Secretary
Julia Brantley	11/22 05/26 (Elected)	$ 1,500	$ 521	Assistant Secretary
Justine Cohn	05/24 05/28 (Elected)	$ 1,500	$ 507	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The most recent submission date of the District Registration Form was on May 14, 2024.

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by the Commission. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Consultants:	Date Hired	Fees for the year ended June 30, 2025	Title
Winstead PC	03/26/21	$ 58,030	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	09/09/25	$ -0-	Auditor
Dye & Tovery, LLC	03/26/21	$ 19,211	Bookkeeper
Southland Consulting Engineers	03/24/22	$ 14,160	Engineer
Inframark, LLC	05/14/24	$ 450,576	Operator
Robert W. Baird & Co. Incorporated	03/26/21	$ -0-	Financial Advisor
Kerry Tovery	03/26/21	$ -0-	Investment Officer

See accompanying independent auditor's report.