

OFFICIAL STATEMENT DATED OCTOBER 22, 2025

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), UNDER EXISTING LAW AND ASSUMING CONTINUING COMPLIANCE WITH COVENANTS IN THE BOND ORDERS (HEREIN DEFINED), INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT INCLUDED IN COMPUTING THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS FOR TAX YEARS. SEE “LEGAL MATTERS” AND “TAX MATTERS” FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds have been designated as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”

NEW ISSUE—BOOK-ENTRY-ONLY

S&P Global Ratings (BAM Insured) “AA”

PLUM CREEK MANAGEMENT DISTRICT NO. 1A

(A political subdivision of the State of Texas, located within Harris, Liberty, and Montgomery Counties, Texas)

**\$4,005,000
Unlimited Tax Bonds
Series 2025**

**\$5,145,000
Unlimited Tax Road Bonds
Series 2025**

Dated: November 1, 2025

Interest accrues from: Date of Delivery

Due: September 1, as shown below

The \$4,005,000 Unlimited Tax Bonds, Series 2025 (the “Utility Bonds”), and the \$5,145,000 Unlimited Tax Road Bonds, Series 2025 (the “Road Bonds,” and together with the Utility Bonds, the “Bonds”), are obligations of Plum Creek Management District No. 1A (the “District”) and are not obligations of the State of Texas; Harris County, Texas; Liberty County, Texas; Montgomery County, Texas (collectively, the “Counties”); the City of Houston, Texas; the City of Plum Grove, Texas or any other entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the Counties; the City of Houston, Texas; the City of Plum Grove, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

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 November 1, 2025 (the “Dated Date”), and will accrue interest from the initial date of delivery, which is expected to be on or about November 20, 2025 (the “Date of Delivery”), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of 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 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 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 CUSIP NOS.” on the inside cover.

The scheduled payment of principal of and interest on each series of the Bonds when due will be guaranteed under separate municipal bond insurance policies to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).**



The Utility Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system (the “System”). The Road Bonds constitute the first series of unlimited tax road bonds issued by the District for the purpose of purchasing, constructing, operating and maintaining a road system to serve the District (the “Road System”). Voters in the District have authorized a total of \$187,800,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the System to serve the District; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the System; \$110,150,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the Road System; \$40,595,000 principal amount of unlimited tax bonds for purchasing, constructing, operating and maintaining park and recreational facilities and \$60,892,500 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for park and recreational facilities.

Following the issuance of the Bonds, \$183,795,000 principal amount of unlimited tax bonds for the System; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds for the System; \$105,005,000 principal amount of unlimited tax bonds for the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds for the Road System; \$40,595,000 principal amount of unlimited tax bonds for purchasing, constructing, operating and maintaining park and recreational facilities; and \$60,892,500 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for park and recreational facilities will remain authorized but unissued. The Bonds, when issued, will constitute legal, valid and binding obligations of the District, payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See “THE BONDS—Source of Payment.”

The Bonds are offered, when, as and if issued by the District and accepted by the initial purchasers of the Bonds (the “Initial Purchasers”), subject, among other things, to the approval of the Attorney General of Texas and the approval of certain legal matters by Sanford Kuhl Hagan Kugle Parker Kahn LLP, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about November 20, 2025.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIP NOS.

\$4,005,000 Unlimited Tax Bonds, Series 2025

\$2,955,000 Utility Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 729236 (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 729236 (b)
2027	\$ 85,000	6.500%	3.050%	AA7	2037 (c)	\$ 145,000	4.000%	4.000%	AL3
2028	90,000	6.500%	3.000%	AB5	2038 (c)	155,000	4.000%	4.050%	AM1
2029	95,000	6.500%	3.020%	AC3	2039 (c)	160,000	4.000%	4.120%	AN9
2030	100,000	6.500%	3.050%	AD1	2040 (c)	170,000	4.250%	4.250%	AP4
2031 (c)	105,000	5.000%	3.150%	AE9	2041 (c)	180,000	4.250%	4.350%	AQ2
2032 (c)	110,000	5.000%	3.250%	AF6	2042 (c)	190,000	4.375%	4.450%	AR0
2033 (c)	120,000	4.000%	3.400%	AG4	2043 (c)	195,000	4.500%	4.550%	AS8
2034 (c)	125,000	4.000%	3.550%	AH2	2044 (c)	210,000	4.500%	4.600%	AT6
2035 (c)	130,000	4.000%	3.700%	AJ8	2045 (c)	220,000	4.625%	4.650%	AU3
2036 (c)	140,000	4.000%	3.830%	AK5	2046 (c)	230,000	4.625%	4.700%	AV1

\$1,050,000 Utility Term Bonds

\$495,000 Utility Term Bonds Due September 1, 2048 (c)(d), Interest Rate: 4.750% (Price: \$100.000) (a), CUSIP No. 729236 AX7 (b)

\$555,000 Utility Term Bonds Due September 1, 2050 (c)(d), Interest Rate: 4.750% (Price: \$99.704) (a), CUSIP No. 729236 AZ2 (b)

\$5,145,000 Unlimited Tax Road Bonds, Series 2025

\$3,795,000 Road Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 729236 (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 729236 (b)
2027	\$ 110,000	6.500%	3.050%	BA6	2037(c)	\$ 185,000	4.000%	4.000%	BL2
2028	120,000	6.500%	3.000%	BB4	2038 (c)	195,000	4.000%	4.050%	BM0
2029	125,000	6.500%	3.020%	BC2	2039 (c)	205,000	4.000%	4.120%	BN8
2030	130,000	6.500%	3.050%	BD0	2040 (c)	220,000	4.125%	4.250%	BP3
2031 (c)	140,000	5.000%	3.150%	BE8	2041 (c)	230,000	4.250%	4.350%	BQ1
2032 (c)	145,000	4.000%	3.300%	BF5	2042 (c)	240,000	4.375%	4.450%	BR9
2033 (c)	150,000	4.000%	3.400%	BG3	2043 (c)	255,000	4.500%	4.550%	BS7
2034 (c)	160,000	4.000%	3.550%	BH1	2044 (c)	265,000	4.500%	4.600%	BT5
2035 (c)	170,000	4.000%	3.700%	BJ7	2045 (c)	280,000	4.625%	4.650%	BU2
2036 (c)	175,000	4.000%	3.830%	BK4	2046 (c)	295,000	4.625%	4.700%	BV0

\$1,350,000 Road Term Bonds

\$640,000 Road Term Bonds Due September 1, 2048 (c)(d), Interest Rate: 4.750% (Price: \$100.000) (a), CUSIP No. 729236 BX6 (b)

\$710,000 Road Term Bonds Due September 1, 2050 (c)(d), Interest Rate: 4.750% (Price: \$99.704) (a), CUSIP No. 729236 BZ1 (b)

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- (a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchasers. 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 purchasers of the Bonds. Neither the District nor the Initial Purchasers shall be responsible for the selection or corrections of the CUSIP numbers set forth herein.
- (c) Bonds maturing on September 1, 2031, 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 September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."
- (d) Subject to mandatory 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 Provisions – *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 or the Initial Purchasers.

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

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 Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, 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 as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. The District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and to the extent such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT—Updating of Official Statement."

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "MUNICIPAL BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

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.

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Utility Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by Fidelity Capital Markets (the "Utility Bonds Initial Purchaser") to purchase the Utility Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIP NOS" at a price of 97.260001% of the par value, which resulted in a net effective interest rate of 4.727487%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

After requesting competitive bids for the Road Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by Fidelity Capital Markets (the "Road Bonds Initial Purchaser") to purchase the Road Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIP NOS" at a price of 97.118712% of the par value, which resulted in a net effective interest rate of 4.721768%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

Throughout this Official Statement, the term "Initial Purchasers" refers to the Utility Bonds Initial Purchaser in its capacity as purchaser of the Utility Bonds as well as the Road Bonds Initial Purchaser in its capacity as purchaser of the Road Bonds.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchasers on or before the Date of Delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchasers regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the sole responsibility of the Initial Purchasers.

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 Purchasers after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchasers 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.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price 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.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration of the Bonds under the securities laws of any other 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 shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

Delivery of Official Statements

The District shall furnish to the Initial Purchasers (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchasers), within seven (7) business days after the sale date, the aggregate number of Official Statements agreed upon between the District and the Initial Purchasers. The District also shall furnish to the Initial Purchasers a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential underwriters of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchasers may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement agreed upon between the District and the Initial Purchasers and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchasers shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its separate Municipal Bond Insurance Policy for each series of the Bonds (each a "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$503.3 million, \$258.1 million, and \$245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "MUNICIPAL BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos: For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will

be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers: The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATINGS

The Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the issuance of the municipal bond insurance Policy for each series of the Bonds by BAM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

The District is not aware of any rating assigned to the Bonds other than the rating of S&P.

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OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in the Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

<i>The District</i>	Plum Creek Management District No. 1A (the “District”), a political subdivision of the State of Texas, is located partially in Harris County, Texas, Liberty County, Texas, and Montgomery County, Texas (collectively, the “Counties”). See “THE DISTRICT—General” and “—Description.”
<i>Description of the Bonds</i>	The \$4,005,000 Unlimited Tax Bonds, Series 2025 (the “Utility Bonds”), and the \$5,145,000 Unlimited Tax Road Bonds, Series 2025 (the “Road Bonds,” and together with the Utility Bonds, the “Bonds”), mature on September 1 in the years and amounts set forth on the inside cover of this Official Statement. The Bonds are dated November 1, 2025 (the “Dated Date”), and will accrue interest from the initial date of delivery, which is expected to be on or about November 20, 2025 (the “Date of Delivery”), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See “THE BONDS.”
<i>Redemption Provisions</i>	<p>Bonds maturing on and after September 1, 2031, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2030, and any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See “THE BONDS—Redemption Provisions—<i>Optional Redemption</i>.”</p> <p>The Utility Bonds maturing on September 1, 2027, through September 1, 2046, both inclusive, are serial bonds. The Utility Bonds maturing on September 1 in the years 2048 and 2050 are term bonds (the “Utility Term Bonds”) and are subject to certain mandatory sinking fund redemption provisions as set forth herein under “THE BONDS—Redemption Provisions—<i>Mandatory Redemption</i>.”</p> <p>The Road Bonds maturing on September 1, 2027, through September 1, 2046, both inclusive, are serial bonds. The Road Bonds maturing on September 1 in the years 2048 and 2050 are term bonds (the “Road Term Bonds”) and are subject to certain mandatory sinking fund redemption provisions as set forth herein under “THE BONDS – Redemption Provisions—<i>Mandatory Redemption</i>.”</p>
<i>Source of Payment</i>	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem property 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; the Counties; the City of Houston, Texas; the City of Plum Grove, Texas; or any entity other than the District. See “THE BONDS—Source of Payment.”
<i>Authority for Issuance</i>	The Utility Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of purchasing, constructing, operating and maintaining a waterworks, wastewater and storm drainage system (the “System”) within the District. The Road Bonds constitute the first series of unlimited tax road bonds issued by the District for the purpose of purchasing, constructing, operating and maintaining a road system to serve the District (the “Road System”). Voters in the District have authorized a total of \$187,800,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the System to serve the District; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the System; \$110,150,000 principal amount of unlimited tax bonds for the purpose of purchasing,

constructing, operating and maintaining the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the Road System; \$40,595,000 principal amount of unlimited tax bonds for purchasing, constructing, operating and maintaining park and recreational facilities and \$60,892,500 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for park and recreational facilities.

Following the issuance of the Bonds, \$183,795,000 principal amount of unlimited tax bonds for the System; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the System, \$105,005,000 principal amount of unlimited tax bonds for the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the Road System, \$40,595,000 principal amount of unlimited tax bonds for purchasing, constructing, operating and maintaining park and recreational facilities and \$60,892,500 principal amount of unlimited tax bonds issued for the purpose of refunding bonds for park and recreational facilities will remain authorized but unissued. The Bonds, when issued, will constitute valid and binding obligations of the District, payable from the proceeds of a continuing direct annual ad valorem property tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See “THE BONDS—Source of Payment.”

The Utility Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of sale of the Utility Bonds (the “Utility Bond Order”); Article XVI, Section 59 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; an election held within the District on November 7, 2023; and an order of the Texas Commission on Environmental Quality (“TCEQ”).

The Road Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of sale of the Bonds (the “Road Bond Order,” together with the Utility Bond Order, the “Bond Orders”); Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 3982 of the Texas Special District Local Laws Code; and an election held within the District on November 2, 2021. See “THE BONDS – Authority for Issuance.”

<i>Use of Proceeds of Utility Bonds</i>	Proceeds of the Utility Bonds will be used to reimburse the Developer (herein defined) for the costs set out herein under “USE OF PROCEEDS OF UTILITY BONDS.” Proceeds of the Utility Bonds will also be used to pay operating advances, developer interest, eighteen (18) months of capitalized interest on the Utility Bonds and other costs associated with the issuance of the Utility Bonds.
<i>Use of Proceeds of Road Bonds</i>	Proceeds of the Road Bonds will be used to reimburse the Developer for the costs set out herein under “USE OF PROCEEDS OF ROAD BONDS.” Proceeds of the Road Bonds will also be used to pay developer interest, eighteen (18) months of capitalized interest on the Road Bonds and other costs associated with the issuance of the Road Bonds.
<i>Tax Exemption</i>	In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax; however such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations for the tax years. See “TAX MATTERS” for a discussion of the opinion of Bond Counsel.
<i>Municipal Bond Insurance</i>	Build America Mutual Assurance Company (“BAM”). See “MUNICIPAL BOND INSURANCE.”
<i>Ratings</i>	S&P Global Ratings (BAM Insured): “AA” (stable outlook). See “RATINGS.”

<i>Qualified Tax-Exempt Obligations for Financial Institutions</i>	The Bonds have been designated as “qualified tax-exempt obligations” for financial institutions.
<i>General & Bond Counsel</i>	Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas.
<i>Disclosure Counsel</i>	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
<i>Financial Advisor</i>	Robert W. Baird & Co. Incorporated, Houston, Texas.
<i>District Engineer</i>	LJA Engineering, Inc. Houston, Texas.

THE DISTRICT

<i>The Issuer</i>	Plum Creek Management District No. 1 of Liberty County (the “Original District”) was created pursuant to House Bill 4661 Acts of the 86th Texas Legislature, Regular Session, codified as Chapter 3982 Texas Special District Local Laws Code (the “Act”). The Act granted the Original District the power of division and pursuant to an order adopted by the original district on October 27, 2020, the Original District was divided into Plum Creek Management District No. 1, Plum Creek Management District No. 1A (the “District”) and Plum Creek Management District No. 1B. The District consisted of approximately 10.00 acres at the time of creation. On October 27, 2020, the District annexed an additional approximately 577.16 acres. On August 13, 2021, the District annexed an additional approximately 662.74 acres. On March 2, 2023, the District annexed an additional approximately 188.00 acres. The current District total acreage is approximately 1,437.91 acres. See “THE DISTRICT—General.”
<i>Location.....</i>	The District is located partially in Harris, County, Texas, Liberty County, Texas and Montgomery County, Texas and is situated partially within the City of Houston’s extraterritorial jurisdiction (“ETJ”) and partially within the City of Plum Grove’s ETJ. The District is generally bounded on the west by the East Fork of the San Jacinto River and on the north by Tommy Sallas Road. The main entrance to the District is at the Intersection by the Grand Parkway (SH99) and Plum Grove Road.
<i>Developer and Principal Landowner.....</i>	<p>The principal owner and developer of land within the District is CH-B Kingland, LLC, a Delaware limited liability company (the “Developer”), based in Austin, Texas. The Developer is wholly owned by CH-B Investors VII, L.L.C. (“CH-B Investors”), a Delaware limited liability company, whose manager is CH Castle Funding VII, LP (“CH Castle”), a Texas limited partnership. CH Castle is wholly owned by Castle Hill Partners, Inc., a Texas corporation which is owned by David Arnow, Victor Ayad, and John McKinnerney. CH Castle has more than 30 years of experience in developing residential and commercial communities. The Developer is a single purpose entity formed for the purpose of developing the land it owns in the District.</p> <p>The Developer owns approximately 847 acres in the District and 26 vacant lots. See “DEVELOPER AND PRINCIPAL LANDOWNER.”</p>
<i>Development within the District.....</i>	To date, approximately 58.82 acres within the District have been developed as 254 single-family lots in the following single-family residential subdivisions: The Trails, Sections 1, 2, 3, and 4. As of September 24, 2025, development within the District consisted of approximately 215 completed homes (196 occupied homes, 15 unoccupied homes, and 4 model homes), approximately 13 homes under construction and approximately 26 vacant, developed lots. The remainder of the lands within the District includes approximately 48.07 acres of park and open space, approximately 148.67 acres of streets, approximately 494.04 acres for drainage easements, approximately 306.77 undeveloped but developable acres, approximately 196.03 undevelopable acres for floodway and floodplain and approximately 185.51 acres designated for commercial and recreational facilities. See “DEVELOPMENT WITHIN THE DISTRICT.”

Homebuilders in the District..... Homebuilders active in the District are Chesmar Homes, Coventry Homes, Lennar Homes, and Westin Homes. Homes are being marketed from \$220,000 to over \$550,000 and range in size from 1,500 square feet to over 3,800 square feet.

RISK FACTORS

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

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**SELECTED FINANCIAL INFORMATION
(UNAUDITED)**

2025 Certified Taxable Assessed Valuation	\$	62,292,572	(a)
Estimate of Value as of June 1, 2025.....	\$	68,708,982	(b)
Direct Debt:			
The Utility Bonds	\$	4,005,000	
The Road Bonds	\$	<u>5,145,000</u>	
Total	\$	<u>9,150,000</u>	
Estimated Overlapping Debt.....	\$	<u>499,257</u>	(c)
Total Direct and Estimated Overlapping Debt	\$	<u>9,649,257</u>	(c)
Direct Debt Ratios:			
As a percentage of 2025 Certified Taxable Assessed Valuation		14.69	%
As a percentage of Estimate of Value as of June 1, 2025.....		13.32	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2025 Certified Taxable Assessed Valuation		15.49	%
As a percentage of Estimate of Value as of June 1, 2025.....		14.04	%
General Operating Fund (as of September 24, 2025)	\$	19,075	(d)
Road System Debt Service Fund (as of Date of Delivery)	\$	424,463	(e)
System Debt Service Fund (as of Date of Delivery).....	\$	330,413	(f)
2025 District Tax Rate per \$100 of Assessed Valuation			
System Debt Service.....		\$0.00	
Road Debt Service.....		\$0.00	
Maintenance & Operations.....		<u>\$1.25</u>	
Total		<u>\$1.25</u>	
Average Annual Debt Service Requirements on the Bonds (2026-2050)	\$	626,934	(g)
Maximum Annual Debt Service Requirement on the Bonds (2050).....	\$	680,875	(g)
Tax Rate per \$100 of Assessed Valuation Required to Pay Average Annual			
Debt Service Requirements on the Bonds (2026-2050) at 95% Tax Collections			
Based Upon 2025 Certified Taxable Assessed Valuation		\$1.06	
Based Upon the Estimate of Value as of June 1, 2025		\$0.97	
Tax Rate per \$100 of Assessed Valuation Required to Pay Maximum Annual			
Debt Service Requirement on the Bonds (2050) at 95% Tax Collections			
Based Upon 2025 Certified Taxable Assessed Valuation		\$1.16	
Based Upon the Estimate of Value as of June 1, 2025		\$1.05	
Number of Single-Family Homes (including 13 homes in various			
stages of construction and 4 model homes) as of September 24, 2025		228	

- (a) Represents the assessed valuation of all taxable property within the District as of January 1, 2025, as provided by the Harris Central Appraisal District, Liberty County Central Appraisal District, and Montgomery Central Appraisal District (collectively, the "Appraisal Districts"). See "TAX DATA" and "TAXING PROCEDURES."
- (b) Provided by the Appraisal Districts as the Estimate of Value as of June 1, 2025. This value represents the estimated determination of the taxable value in the District as of June 1, 2025. Taxes are levied based on value as certified by the Appraisal Districts as of January 1 of each year, and therefore, this estimate will not be the basis for any tax levy by the District. See "TAXING PROCEDURES."
- (c) See "DISTRICT DEBT—Estimated Direct and Overlapping Debt Statement."
- (d) See "RISK FACTORS - Operating Funds."
- (e) Represents eighteen (18) months of capitalized interest to be deposited into the Road System Debt Service Fund (herein defined) upon closing of the Road Bonds. Neither Texas law nor the Road Bond Order requires that the District maintain any particular sum in the District's Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the System, including the Utility Bonds.
- (f) Represents eighteen (18) months of capitalized interest to be deposited into the System Debt Service Fund (herein defined) upon closing of the Utility Bonds. Neither Texas law nor the Utility Bond Order requires that the District maintain any particular sum in the District's System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued for the acquisition or construction of the Road System, including the Road Bonds.
- (g) Requirement of combined debt service on the Bonds. See "DISTRICT DEBT—Debt Service Requirements."

**Official Statement
relating to**

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
(A Political Subdivision of the State of Texas Located in Harris, Liberty, and Montgomery Counties, Texas)**

**\$4,005,000
Unlimited Tax Bonds
Series 2025**

**\$5,145,000
Unlimited Tax Road Bonds
Series 2025**

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Plum Creek Management District No. 1A (the "District") of the \$4,005,000 Unlimited Tax Bonds, Series 2025 (the "Utility Bonds"), and the \$5,145,000 Unlimited Tax Road Bonds, Series 2025 (the "Road Bonds," and together with the Utility Bonds, the "Bonds").

The Utility Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of sale of the Utility Bonds (the "Utility Bond Order"); Article XVI, Section 59 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; an election held within the District on November 7, 2023; and an order of the Texas Commission on Environmental Quality ("TCEQ").

The Road Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of sale of the Road Bonds (the "Road Bond Order," and together with the Utility Bond Order, the "Bond Orders"); Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 3982 of the Texas Special District Local Laws Code; and an election held within the District on November 2, 2021. See "THE BONDS – Authority for Issuance."

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

Included in this Official Statement are descriptions of the Bonds, the Developer (defined herein) 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. Copies of such documents may be obtained from the District at Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056 or during the offering period from the District's Financial Advisor, Robert W. Baird & Co. Incorporated, Attn: Stephen Eustis, 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056 upon payment of reasonable copying, mailing and handling charges.

RISK FACTORS

General

The Bonds, which are obligations of the District and are not obligations of the State of Texas; the Counties; the City of Houston; the City of Plum Grove; or any other political subdivision, will be secured by a continuing direct annual ad valorem property tax, without legal limitation as to rate or amount, on all taxable property located within the District. (See "THE BONDS—Source of Payment.") The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by the registered owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "—Registered Owners' Remedies" below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the residential housing industry in the Counties and the Houston metropolitan area. New residential housing construction can be significantly affected by factors such as general economic activity, interest rates, credit availability, energy costs, construction costs, the level of unemployment and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Principal Landowner Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA—Principal Taxpayers," the District's top ten principal taxpayers in 2025 owned property located in the District, with an aggregate assessed valuation of \$12,606,161, which comprised approximately 23.40% of the District's total assessed valuation. The Developer owns approximately 3.96% of the District's 2025 Taxable Assessed Valuation. While the development of lots is currently ongoing, 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 the Developer, one or more of the District's principal property owners or any combination of taxpayers 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 taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meet its debt service requirements.

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. The District levied a maintenance and operations tax of \$1.25 per \$100 of assessed valuation for 2025.

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. Many of the other developments are generally accessible by the same commuter routes and served by the same employment centers and school districts causing the developments to compete with one another for the same pool of buyers at similar price points and amenity levels.

The competitive position of the Developer in the sale of land, and the sale of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

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 its 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 its ability to pay taxes. See "DEVELOPER AND PRINCIPAL LANDOWNER," and "DEVELOPMENT WITHIN THE DISTRICT."

Impact on District Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2025 Certified Taxable Assessed Valuation of property located within the District (see "TAX DATA") is \$62,292,572 and the Estimate of Value as of June 1, 2025 is \$68,708,982. After issuance of the Bonds, the maximum annual debt service requirement on the Bonds will be \$680,875 (2050) and the average annual debt service requirements on the Bonds will be \$626,934 (2026-2050, inclusive). Assuming no increase to, nor decrease from, the 2025 Certified Taxable Assessed Valuation, tax rates of \$1.16 and \$1.06 per \$100 of assessed 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 Value as of June 1, 2025, tax rates of \$1.05 and \$0.97 per \$100 of assessed 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.

Operating Funds

The District levied a 2025 maintenance tax of \$1.25 per \$100 of assessed valuation. The District's general fund balance on September 24, 2025, was \$19,075. Attaining and maintaining a positive Operating Fund balance will depend upon (1) continued development within the District, and (2) increased amounts of maintenance tax revenue. In the event that funds are not made available by the Developer, the District will be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such a tax, when added to the District's debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property.

Increase in Costs of Building Materials and Labor Shortages

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.

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Tax Collections and Foreclosure Remedies

The District has a right to seek judicial foreclosure on a tax lien, but such remedy may prove to be costly and time consuming and, since the future market or resale market, if any, of the taxable real property within the District is uncertain, there can be no assurance that such property could be sold and delinquent taxes paid. See "TAXING PROCEDURES."

Limitation to Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners") have the 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 Orders do not specifically provide for remedies to protect and enforce the interest of the Registered Owners. 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.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners of the Bonds 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. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the U.S. Bankruptcy Code, 11 USC Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is generally authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or has negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law, a special purpose district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the U.S. Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under 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 determining the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the registered owners could potentially and adversely impair the value of the registered owners' claims.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the U.S. Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a registered owner 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 registered owner's claim against a district.

A special purpose district cannot be placed into bankruptcy involuntarily.

Marketability

The District has no agreement with any purchaser of the Bonds regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds.

If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold, or traded in the secondary market.

Future Debt

Following the issuance of the Bonds, \$183,795,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining a waterworks, wastewater and storm drainage system to serve the District (the

“System”); \$281,700,000 principal amount of refunding bonds issued for the System; \$105,005,000 principal amount of bonds for the purpose of purchasing, constructing, operating and maintaining a road system to serve the District (the “Road System”); \$165,225,000 principal amount of refunding bonds issued for the Road System; \$40,595,000 principal amount of bonds for purchasing, constructing, operating and maintaining park and recreational facilities; and \$60,892,500 principal amount of refunding bonds issued for park and recreational facilities will remain authorized but unissued. The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described in the Bond Orders. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Following reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately \$22,000,000 in reimbursables for District projects, the funds for which were advanced by the Developer. See “THE SYSTEM” and “DEVELOPMENT WITHIN THE DISTRICT.”

Approval of the Bonds

As required by law, engineering plans, specifications, and estimates of construction costs for the facilities and services to be purchased or constructed by the District and financed with the proceeds of the Utility Bonds have been approved, subject to certain conditions, by the TCEQ. 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. Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

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, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer’s right to redeem the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. See “TAXING PROCEDURES.”

Continuing Compliance with Certain Covenants

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

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 Texas Commission on Environmental Quality (the “TCEQ”) may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight-county Houston-Galveston-Brazoria area (“HGB Area”)—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the “2008 Ozone Standard”), and the EPA’s most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the “2015 Ozone Standard”). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

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

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

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

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

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

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

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

The 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’s decision.

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

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, tornadoes, 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. See “TAXING PROCEDURES—Valuation of Property for Taxation.”

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.

Specific Flood Type Risks

The District may be subject to the following flood risks:

Ponding (or Pluvial) Flood: Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur

even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

National Weather Service Atlas 14 Rainfall Study

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Cybersecurity

The District's consultants use digital technologies to collect taxes, hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the District's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the District is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the District's finances. Insurance to protect against such breaches is limited.

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.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable bond insurance policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the insurer of the Policy (the "Insurer") at such time and in such amounts as would have been due absent such prepayment by the District unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATINGS."

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District or the Initial Purchaser has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which is qualified in its entirety by reference to the Bond Orders. A copy of the Bond Orders may be obtained from the District upon written request made to Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056.

The Bonds are dated November 1, 2025 (the “Dated Date”), and will accrue interest from the initial date of delivery, which is expected to be on or about November 20, 2025 (the “Date of Delivery”), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown on the inside cover of this Official Statement. Principal of the Bonds will be payable to the Registered Owners (herein defined) at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”). 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 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 the Interest Payment Date (the “Record Date”) or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

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, New York, New York, while the Bonds are registered in its nominee's name. The information in this section concerning DTC and its “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 (herein defined), (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 (herein defined), 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 (“SEC”), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, 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,” together with the Direct Participant(s), the “Participants”). DTC has a rating of AA+ from the S&P Global Ratings. The DTC Rules applicable to its Direct and Indirect Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The holder of 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 does not affect 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 Direct or Indirect 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 Direct or Indirect Participant and not of DTC, the Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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 DTC.

The information in the section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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 book-entry form, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct or Indirect 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 Orders will be given only to DTC.

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2031, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2030, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. The Paying Agent/Registrar shall give written notice of redemption, by registered mail, overnight delivery, or other comparably secure means, not less than thirty (30) days prior to the redemption date, to each registered securities depository (and to each national information service that disseminates redemption notices) known to the Paying Agent/Registrar, but neither the failure to give such notice nor any defect therein shall affect the sufficiency of notice given to the Registered Owner as hereinabove stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

Mandatory Redemption

The Utility Bonds maturing on September 1 in the years 2048 and 2050 are term bonds (the “Utility 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 Utility 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 (the “Mandatory Redemption Date”), and in the principal amount set forth in the following schedule:

\$495,000 Utility Term Bonds Maturing on September 1, 2048

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2047	\$ 240,000
September 1, 2048 (Maturity)	\$ 255,000

\$555,000 Utility Term Bonds Maturing on September 1, 2050

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2049	\$ 270,000
September 1, 2050 (Maturity)	\$ 285,000

The Road Bonds maturing on September 1 in the years 2048 and 2050 are term bonds (the “Road Term Bonds” and together with the Utility 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 Road 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 (the “Mandatory Redemption Date”), and in the principal amount set forth in the following schedule:

\$640,000 Road Term Bonds Maturing on September 1, 2048

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2047	\$ 310,000
September 1, 2048 (Maturity)	\$ 330,000

\$710,000 Road Term Bonds Maturing on September 1, 2050

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2049	\$ 345,000
September 1, 2050 (Maturity)	\$ 365,000

On or before thirty (30) days prior to each Mandatory Redemption Date set forth above, the Paying Agent/Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Orders. The principal amount of the Term Bond to be mandatorily redeemed on such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this section.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax, other governmental charges, or other expenses required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 of principal amount for any one maturity and for a like aggregate principal 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 thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith. See "THE BONDS—Book-Entry-Only System" herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Funds

The Utility Bond Order creates a fund for debt service on the Utility Bonds issued for the System and any additional unlimited tax bonds issued by the District for the System (the "System Debt Service Fund"). Eighteen (18) months of capitalized interest on the Utility Bonds will be deposited from the proceeds from sale of the Utility Bonds into the System Debt Service Fund. The System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Utility Bonds for the System, and any additional unlimited tax bonds issued by the District for the System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Utility Bonds and any of the District's other duly authorized bonds issued for the System payable in whole or in part from taxes. Amounts on deposit in the System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Utility Bonds and any additional bonds for the 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 System Debt Service Fund are not available to pay debt service on the District's bonds issued for the Road System, including the Road Bonds.

The Road Bond Order creates a fund for debt service on the Road Bonds issued for the Road System and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). Eighteen (18) months of capitalized interest on the Road Bonds will be deposited from the proceeds from sale of the Road 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 Road Bonds and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Road Bonds and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Road Bonds and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road System Debt Service Fund are not available to pay debt service on the District's bonds issued for the System, including the Utility Bonds.

Record Date for Interest Payment

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

In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, or on receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and Paying Agent/Registrar of security or indemnity to hold them harmless. Upon the issuance of a new bond the District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Paying Agent/Registrar), bond printing costs and legal fees in connection with any such replacement.

Replacement of Paying Agent/Registrar

A provision is made in the Bond Orders for replacement of the Paying Agent/Registrar by the District. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be a 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 paying agent for the Bonds.

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing, direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and cost of collection. In the Bond Orders, the District covenants that said taxes are irrevocably pledged to the payment of the interest and principal of the Bonds and any parity bonds hereinafter issued. The Bonds are obligations of the District and are not the obligations of the State of Texas; the Counties; the City of Houston, Texas; the City of Plum Grove, Texas; or any other political subdivision or any entity other than the District.

Authority for Issuance

Voters in the District have authorized a total of \$187,800,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the System; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the System; \$110,150,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the Road System; \$40,595,000 principal amount of unlimited tax bonds for purchasing, constructing, operating and maintaining park and recreational facilities and \$60,892,500 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for park and recreational facilities.

The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described in the Bond Orders, and such additional bonds as may hereafter be authorized by the Board and voters of the District.

The Utility Bonds are issued pursuant the Utility Bond Order; Article XVI, Section 59 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; an election held within the District on November 7, 2023; and an order of the TCEQ.

The Road Bonds are issued pursuant to the Road Bond Order; Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 3982 of the Texas Special District Local Laws Code; and an election held within the District on November 2, 2021.

Issuance of Additional Debt

Following the issuance of the Bonds, \$183,795,000 principal amount of unlimited tax bonds for the System; \$281,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the System, \$105,005,000 principal amount of unlimited tax bonds for the Road System; \$165,225,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the Road System, \$40,595,000 principal amount of unlimited tax bonds for park and recreational facilities and \$60,892,500 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for purchasing, constructing, operating and maintaining park and recreational facilities will remain authorized but unissued.

The District has the right to issue additional bonds, as may hereafter be approved by both the Board and the voters of the District. Such additional bonds would be issued on a parity with the Bonds. Any future new money bonds (except new money road bonds) to be issued by the District must also be approved by the TCEQ. Further, the principal amount of parks and recreational facilities bonds issued by the District may not exceed one percent of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District.

Following reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately \$22,000,000 in reimbursables for District projects, the funds for which were advanced by the Developer.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed fire protection plan; (b) approval of the fire plan by the TCEQ; (c) approval of the fire plan and bonds by the voters of the District; and (d) approval of bonds, if any, by the Attorney General of Texas. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds. The District has not considered preparation of a fire plan at this time.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District can issue park bonds payable from taxes, the following actions are required: (a) approval of the park bond application for the issuance of bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District at the time of issuance; unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not more than three percent (3%) of the value of the taxable property in the District.

Based on present engineering cost estimates and on development plans supplied by the Developer, in the opinion of the District's consulting engineer, LJA Engineering, Inc. (the "Engineer"), following the issuance of the Bonds, the District will have adequate authorized but unissued bonds to repay the Developer the remaining amounts owed for the existing utility facilities, and to finance the extension of the System to serve the remaining undeveloped land and the Road System within the District. See "DEVELOPMENT WITHIN THE DISTRICT," "THE SYSTEM," and "RISK FACTORS—Future Debt."

Registered Owners' Remedies

Texas law and the Bond Orders provide that in the event the District defaults in the payment of the principal of or the interest on any of the Bonds when due, fails to make payments required by the Bond Orders into the respective debt service fund or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Orders, any Registered Owner 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 Orders. Such right is in addition to other rights the Registered Owners of the Bonds may be provided by the laws of the State of Texas.

Except for mandamus, the Bond Orders does not specifically provide for remedies to a Registered Owner in the event of default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners of the Bonds. There is no provision for 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. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's public purpose property. Further, the Registered Owners could not 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.

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.

Defeasance

The Bond Orders provide that the District may discharge its obligations to the Registered Owners 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) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, (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, and which 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.

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

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

- “(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.
- (b) A district’s bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.”

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

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

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USE OF PROCEEDS OF UTILITY BONDS

Proceeds of the Utility Bonds will be used to reimburse the Developer for the costs set out below. Proceeds of the Utility Bonds will also be used to pay developer interest, operating advances, eighteen (18) months of capitalized interest on the Utility Bonds and other costs associated with the issuance of the Utility Bonds. Totals may not sum due to rounding.

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

<u>Construction Costs</u>	<u>District's Share</u>
A. Developer Contribution Items	
1. Castle Hill Drainage Study	\$ 151,400
2. Phase 1 Clearing and Grubbing	570,400
3. Phase 1 Mass Grading and Excavation	256,891
4. Engineering Fees	149,112
5. Geotechnical Fees	4,830
6. Stormwater Consultation Fees	94,129
Total Developer Items	<u>\$ 1,226,762</u>
B. District Items	
1. Land Costs	\$ 1,535,429
Total Developer Contribution Items	<u>\$ 1,535,429</u>
Total Construction Costs	\$ 2,762,191
<u>Non-Construction Costs</u>	
A. Legal Fees	\$ 115,125
B. Fiscal Agent Fees	80,100
C. Interest	
1. Capitalized Interest	278,850
2. Developer Interest	224,626
D. Operation Expenses	200,250
E. Bond Discount	109,737
F. Bond Issuance Expenses	53,128
G. Bond Application Costs	90,000
H. Attorney General's Fee	4,005
I. TCEQ Bond Issue Fee	10,013
J. Market Study	15,000
K. Contingency (a)	61,975
Total Non-Construction Costs	<u>\$ 1,242,810</u>
TOTAL BOND ISSUE REQUIREMENT	\$ 4,005,000

(a) Contingency represents the difference between the estimated and actual amounts of bond discount and capitalized interest.

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

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USE OF PROCEEDS OF ROAD BONDS

Proceeds of the Road Bonds will be used to reimburse the Developer for the costs set out below. Proceeds of the Road Bonds will also be used to pay developer interest, eighteen (18) months of capitalized interest on the Road Bonds and other costs associated with the issuance of the Road Bonds. Totals may not sum due to rounding.

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

<u>Construction Costs</u>	<u>District's Share</u>
A. Developer Contribution Items	
1. Trails and Cross Pines Drive, Section 1 and 2	\$ 3,103,888
2. Trails Section 3 & 4	45,569
3. The Trails Phase 1 Landscape Improvements	225,734
4. Engineering Fees	224,781
5. Geotechnical Fees	38,491
6. Stormwater Consultation Fees	33,772
Total Developer Items	<u>\$ 3,672,236</u>
B. District Items	
1. Land Costs	\$ 49,009
Total Developer Contribution Items	<u>\$ 49,009</u>
Total Construction Costs	\$ 3,721,244
<u>Non-Construction Costs</u>	
A. Legal Fees	\$ 143,625
B. Fiscal Agent Fees	102,900
C. Interest	
1. Capitalized Interest	356,091
2. Developer Interest	505,906
D. Bond Discount	148,242
E. Bond Issuance Expenses	53,217
F. Engineering Costs	34,150
G. Attorney General Fee (0.10% or \$9,500 max)	5,145
H. Contingency (a)	74,480
Total Non-Construction Costs	<u>\$ 1,423,756</u>
TOTAL BOND ISSUE REQUIREMENT	\$ 5,145,000

(a) Contingency represents the difference between the estimated and actual amounts of bond discount and capitalized interest.

The Engineer has advised the District that the proceeds of the sale of the Road Bonds should be sufficient to pay the costs of the above-described facilities; however, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses.

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THE DISTRICT

General

Plum Creek Management District No. 1 of Liberty County (the “Original District”) was created pursuant to House Bill 4661 Acts of the 86th Texas Legislature, Regular Session, codified as Chapter 3982 Texas Special District Local Laws Code (the “Act”). The Act granted the Original District the power of division and pursuant to an order adopted by the Original District on October 27, 2020, the Original District was divided into Plum Creek Management District No. 1, Plum Creek Management District No. 1A (the “District”) and Plum Creek Management District No. 1B. The District is subject to the continuing supervision of the TCEQ.

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; the control and diversion of storm water; park and recreational facilities; and roads. The District may also provide solid waste collection and disposal service and operate, maintain and construct 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 district’s voters and the TCEQ. The District has not obtained approval from voters or the TCEQ to operate a fire department and has no plans to do so currently.

Description

The District, a political subdivision of the State of Texas, is located partially in the Counties. The District is located partially in Harris, Liberty, and Montgomery Counties and is situated partially within the City of Houston’s extraterritorial jurisdiction (“ETJ”) and partially within the City of Plum Grove’s ETJ. The District is generally bounded on the west by the East Fork of the San Jacinto River and on the north by Tommy Sallas Road. The main entrance to the District is at the Intersection by the Grand Parkway (SH99) and Plum Grove Road.

The District consisted of approximately 10.00 acres at the time of creation. On October 27, 2020, the District annexed an additional approximately 577.16 acres. On August 13, 2021, the District annexed an additional approximately 662.74 acres. On March 2, 2023, the District annexed an additional approximately 188.00 acres. The current District total acreage is approximately 1,437.91 acres.

Management of the District

- Board of Directors -

The District is governed by a board, consisting of five directors, which has control over and management and supervision of all affairs of the District (the “Board”). Directors serve staggered four-year terms, with elections held in November of each even numbered year. All of the directors own property in the District. The present members and officers of the Board listed below:

<u>Name</u>	<u>Position</u>	<u>Term Expires November</u>
Kayla Rollins	President	2026
Mary Dalton	Vice President	2028
Gwenevere Mackler Matti	Secretary	2028
Ryan Russell	Assistant Secretary	2026
Jessica Presten	Assistant Secretary	2028

- Consultants -

Tax Assessor/Collector: The District’s Tax Assessor/Collector is Utility Tax Service, LLC (the “Tax Assessor/Collector”). The Tax Assessor/Collector applies the District’s tax levy to tax rolls prepared by the Appraisal Districts and bills and collects such levy.

Bookkeeper: The District’s bookkeeper is L&S District Services, LLC.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District’s financial statements annually, which annual audit is filed with the TCEQ. A copy of the District’s audit prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, for the fiscal year ended August 31, 2024, is included as “APPENDIX A” to this Official Statement.

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

Bond Counsel & General Counsel: The District has engaged Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as bond counsel (“Bond Counsel”) in connection with the issuance of the District’s Bonds. The fees of Bond Counsel are contingent upon the sale and delivery of the Bonds. Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas also serves as the District’s General Counsel.

Disclosure Counsel: The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas, as disclosure counsel

("Disclosure Counsel") in connection with the issuance of the District's Bonds. The fees of Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated is employed as financial advisor (the "Financial Advisor") to the District in connection with the issuance of the Bonds. 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 employed by the District and has participated in the preparation of the Official Statement; however, 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 that has been supplied or provided by third parties.

DEVELOPER AND PRINCIPAL LANDOWNER

The Role of a Developer

In general, the activities of a developer in a special purpose district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivision, designing 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 (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In certain instances, the developer will be required to pay up to thirty percent of the cost of constructing certain water, wastewater and drainage facilities in the district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of its property within the district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a special purpose district during the development phase of the property.

Developer and Principal Landowner

The principal owner and developer of land within the District is CH-B Kingland, LLC, a Delaware limited liability company (the "Developer"), based in Austin, Texas. The Developer is wholly owned by CH-B Investors VII, L.L.C. ("CH-B Investors"), a Delaware limited liability company, whose manager is CH Castle Funding VII, LP ("CH Castle"), a Texas limited partnership. CH Castle is wholly owned by Castle Hill Partners, Inc., a Texas corporation which is owned by David Arnou, Victor Ayad, and John McKinnerney. CH Castle has more than 30 years of experience in developing residential and commercial communities. The Developer is a single purpose entity formed for the purpose of developing the land it owns in the District.

The Developer owns approximately 847 acres in the District and 26 vacant lots.

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DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

To date, approximately 58.82 acres within the District have been developed as 254 single-family lots in the following single-family residential subdivisions: The Trails, Sections 1, 2, 3, and 4. As of September 24, 2025, development within the District consisted of approximately 215 completed homes (196 occupied homes, 15 unoccupied homes, and 4 model homes), approximately 13 homes under construction and approximately 26 vacant, developed lots. The remainder of the lands within the District includes approximately 48.07 acres of park and open space, approximately 148.67 acres of streets, approximately 494.04 acres for drainage easements, approximately 306.77 undeveloped but developable acres, approximately 196.03 undevelopable acres for floodway and floodplain and approximately 185.51 acres designated for commercial and recreational facilities.

	Acres	Platted Lots	Homes		Model Homes (a)	Vacant Lots
			Completed (a)	Under Construction		
The Trails:						
Section 1	15.91	52	48	0	2	2
Section 2	19.36	73	46	6	2	19
Section 3	12.16	63	57	1	0	5
Section 4	11.39	66	60	6	0	0
Total:	58.82	254	211	13	4	26
Park and Open Space	48.07					
Street	148.67					
Drainage easements	494.04					
Remaining developable acreage	306.77					
Floodway and floodplain	196.03					
Commercial and recreational facilities	<u>185.51</u>					
Total Acreage and Platted Lots (b):	<u>1,437.91</u>					

(a) According to the Developer, there were 196 occupied homes, 15 unoccupied homes, and 4 model homes as of September 24, 2025.

(b) Totals may not sum due to rounding.

Homebuilders

Homebuilders active in the District are Chesmar Homes, Coventry Homes, Lennar Homes, and Westin Homes. Homes are being marketed from \$220,000 to over \$550,000 and range in size from 1,500 square feet to over 3,800 square feet.

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LOCATION MAP



PHOTOGRAPHS OF THE DISTRICT
(AUGUST 2025)



TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Orders 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 amount not to exceed \$1.50 per \$100 of assessed valuation for operation and maintenance purposes. For the 2025 tax year, the District levied a total tax rate of \$1.25 per \$100 of assessed valuation.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance & Operations:	\$1.50 per \$100 of Assessed Valuation.
Maintenance & Operations of Parks and Recreational Facilities:	\$0.10 per \$100 of Assessed Valuation.

Debt Service Tax

The Board covenants in the Bond Orders to levy and assess, for each year that all of any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal and interest on the Bonds. The District did not levy a tax rate of for water, sewer, drainage or road debt service purposes in tax years 2024 or 2025.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the maintenance and operations of the District, if such maintenance and operations tax is authorized by vote of the District's electors. At an election held within the District on November 7, 2023, the Board was authorized to levy such a maintenance and operations tax in an amount not to exceed \$1.50 per \$100 assessed valuation. The District levied a maintenance and operations tax for 2025 at the rate of \$1.25 per \$100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Maintenance and Operations Tax for Park & Recreational Facilities

The District has authority to levy a maintenance and operations tax for parks and recreational facilities in an amount not to exceed \$0.10 per \$100 of assessed valuation separate from the \$1.50 general maintenance and operations tax rate levy.

Tax Exemption

As discussed in the section entitled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of 20% of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than August 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

Historical Tax Collections

The following table illustrates the collection history of the District for the tax years 2023–2024.

Tax Year	Assessed Valuation	Tax Rate/ \$100 (a)	Adjusted Levy	% of Collections as of 9/15/25
2023	\$ 6,169,556	\$1.150	\$ 70,950	98.70%
2024	14,782,255	1.250	184,778	96.77%

(a) See "—Tax Rate Distribution" below.

Tax Rate Distribution

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Utility Debt Service	\$0.000	\$0.000	\$0.000
Road Debt Service	0.000	0.000	0.000
Maintenance & Operations	<u>1.250</u>	<u>1.250</u>	<u>1.250</u>
Total	<u>\$1.250</u>	<u>\$1.250</u>	<u>\$1.250</u>

Analysis of Tax Base

The following table illustrates the District's total assessed value in the tax years 2022-2025, by type of property.

<u>Type of Property</u>	<u>2025 Assessed Valuation</u>	<u>2024 Assessed Valuation</u>	<u>2023 Assessed Valuation</u>	<u>2022 Assessed Valuation</u>
Land	\$ 16,110,443	\$ 11,533,863	\$ 3,818,170	\$ 56,458
Improvements	38,548,243	3,177,405	1,597,560	320,696
Personal Property	630,244	456,000	804,900	-
Exemption	<u>(1,422,846)</u>	<u>(385,013)</u>	<u>(51,074)</u>	<u>-</u>
Total	\$ 53,866,084	\$ 14,782,255	\$ 6,169,556	\$ 377,154

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2025:

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation 2025 Tax Roll</u>	<u>Percent of 2025 Tax Roll</u>
CH-B Kingland LLC (b)	Land, Improvements & Personal Property	\$ 2,133,344	3.96%
Chesmar Homes LLC (a)	Land, Improvements & Personal Property	2,046,684	3.80%
Westin Homes & Properties LP (a)	Land, Improvements & Personal Property	3,450,697	6.41%
DFH Coventry LLC (a)	Land, Improvements & Personal Property	1,408,352	2.61%
Lennar Homes Of Texas Land (a)	Land, Improvements & Personal Property	996,064	1.85%
660 DFH II LLC (a)	Land, Improvements & Personal Property	613,531	1.14%
Homeowner	Land, Improvements & Personal Property	504,493	0.94%
Homeowner	Land, Improvements & Personal Property	493,579	0.92%
Homeowner	Land, Improvements & Personal Property	481,844	0.89%
Homeowner	Land, Improvements & Personal Property	477,573	0.89%
Total		\$ 12,606,161	23.40%

(a) See "DEVELOPMENT WITHIN THE DISTRICT—Homebuilders."

(b) See "DEVELOPER AND PRINCIPAL LANDOWNERS—Developer and Principal Landowners."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of assessed valuation that would be required to meet certain combined debt service requirements if no growth in the District occurs beyond the 2025 Certified Taxable Assessed Valuation (\$62,292,572) or the Estimate of Value as of June 1, 2025 (\$68,708,982). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Combined Average Annual Debt Service Requirements on the Bonds (2026-2050)	\$ 626,934
Combined Tax Rate of \$1.06 on the 2025 Certified Taxable Assessed Valuation produces	\$ 627,286
Combined Tax Rate of \$0.97 on the Estimate of Value as of June 1, 2025 produces	\$ 633,153
Combined Maximum Debt Service Requirement on the Bonds (2050).....	\$ 680,875
Combined Tax Rate of \$1.16 on the 2025 Certified Taxable Assessed Valuation produces	\$ 686,464
Combined Tax Rate of \$1.05 on the Estimate of Value as of June 1, 2025 produces	\$ 685,372

Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2024 taxes levied by such jurisdictions per \$100 of assessed valuation. The table below does not include any future debt service tax rate that may be levied as a result of the issuance of the Bonds (see “TAX DATA—Debt Service Tax”). Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	Harris County 2024 Tax Rate	Montgomery County 2024 Tax Rate	Liberty County 2024 Tax Rate
The District	\$ 1.250000 (a)	\$1.250000 (a)	\$1.250000 (a)
Harris County, Texas	0.385290	-	-
Harris County Flood Control District	0.048970	-	-
Port of Houston Authority	0.006150	-	-
Harris County Hospital District	0.163480	-	-
Harris County Dept of Education	0.004799	-	-
Harris County Emergency Service District No. 4	0.100000	-	-
Montgomery County, Texas	-	0.379000	-
Montgomery County Hospital District	-	0.049700	-
New Caney ISD	-	1.255200	-
Montgomery County Emergency Service District No. 7	-	0.097500	-
Lone Star College System	-	0.107600	-
Liberty County, Texas	-	-	0.554300
Cleveland ISD	-	-	1.247000
Total Tax Rate	\$ 1.9586989	\$ 3.1390000	\$ 3.051300

(a) Represents the District’s 2025 tax rate.

THE SYSTEM

General

The System, including the facilities purchased with the proceeds of the Utility Bonds, water, wastewater and drainage facilities, has been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including among others, the TCEQ. According to the Engineer, the design of all such facilities has been approved by all governmental agencies, which have jurisdiction over the District.

Description of the System

Water Supply and Distribution: The District is served by the CCN holder Texas Water Utilities LP, a Texas limited partnership, formerly known as Monarch Utilities I LP, through its General Partner, Texas Water Services Group LLC, a Delaware limited liability company (“TWSG”).

The connection lines are existing 12-inch water lines located East of Plum Grove Road. The District currently obtains all of its water from TWSG. The District does not own or operate any water supply facilities.

The District’s water supply is capable of serving 3,099 equivalent single-family connections (“ESFCs”) which is sufficient to serve the 258 ESFCs currently being served within the District.

Wastewater Treatment Facilities: The District’s wastewater is collected and treated by TWSG. The wastewater generated within the District flows by gravity through an internal network of wastewater collection lines and tie into Lift Station No. 1 located in Section 3. From Lift Station No. 1, a force main travels north along Cross Pines Drive until it is discharged into an existing temporary wastewater treatment plant (WWTP). Once the permanent WWTP is completed, then the forcemain will be rerouted from the temporary WWTP to the permanent WWTP. TWSG owns, operates, and maintains all the wastewater treatment facilities within the District.

The District’s wastewater system is capacity of serving 3,099 ESFCs which is sufficient to server the 258 ESFC’s currently being served within the District.

Storm-Water Drainage Facilities: The District encompasses a portion of the East Fork San Jacinto River. Rainfall is collected through curb and gutter and storm sewers and is routed to a series of detention ponds. From there, the detention ponds outfall into the East Fork San Jacinto River, which flows to the south, across SH 99.

No development will occur within the 100-year floodplain.

THE ROAD SYSTEM

The roads within the District vary in width in accordance with standards adopted by the Counties, but are sized to accommodate the anticipated traffic demands of full build-out of the property within the District.

The Road System serves residents of the District by providing access to the major thoroughfares and collectors within The Trails and surrounding areas. The major thoroughfares and collectors serving the District include Plum Grove Road. The District will finance, design and construct the Road System in phases as development progresses. The Road System will ultimately be owned, operated and maintained by the respective County as the phases are constructed and accepted by the respective County. The District does not intend to maintain or operate the roads once they are accepted by the respective County.

The Counties are responsible for ongoing maintenance of public roads in the District and located within the boundaries of the respective County.

Historical Operations of the System

The following is a summary of the District's general fund activity for the last fiscal year. For the District's fiscal years, which ended on and before August 31, 2024, the below summary has been prepared by the Financial Advisor based upon information obtained from the District's audited financial statements. The figures from September 1, 2024 to August 31, 2025, are unaudited and were provided by the Bookkeeper. See "APPENDIX A."

	Fiscal Year end August 31	
	2025 (a)	2024
<u>Revenues</u>		
Property Taxes	\$ 175,000	\$ 17,264
Penalty and Interest	-	196
Total Revenues	\$ 175,000	\$ 17,460
<u>Expenditures</u>		
Current Service Operations		
Professional Fees	\$ 127,032	\$ 62,749
Contracted Services	311,125	41,584
Repairs and Maintenance	-	16,400
Depreciation	-	-
Other	48,188	80,231
Conveyance of Assets	-	-
Total Expenditures	\$ 486,344	\$ 200,964
Revenues (Under) Expenditures	\$ (311,344)	\$ (183,504)
Other Financing Sources		
Developer Advances	\$ 437,000	\$ 165,000
Beginning Fund Balance	\$ (39,850)	\$ (21,346)
Ending Fund Balance	\$ 125,565	\$ (39,850)

(a) Unaudited from September 1, 2024, to August 31, 2025. Provided by the Bookkeeper.

DISTRICT DEBT

2025 Certified Taxable Assessed Valuation	\$	62,292,572	(a)
Estimate of Value as of June 1, 2025.....	\$	68,708,982	(b)
Direct Debt:			
The Utility Bonds.....	\$	4,005,000	
The Road Bonds.....	\$	5,145,000	
Total.....	\$	9,150,000	
Estimated Overlapping Debt.....	\$	499,257	(c)
Total Direct and Estimated Overlapping Debt	\$	9,649,257	(c)
Direct Debt Ratios:			
As a percentage of 2025 Certified Taxable Assessed Valuation		14.69 %	
As a percentage of Estimate of Value as of June 1, 2025.....		13.32 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2025 Certified Taxable Assessed Valuation		15.49 %	
As a percentage of Estimate of Value as of June 1, 2025.....		14.04 %	
General Operating Fund (as of September 24, 2025)	\$	19,075	(d)
Road System Debt Service Fund (as of Date of Delivery)	\$	424,463	(e)
System Debt Service Fund (as of Date of Delivery).....	\$	330,413	(f)
2025 District Tax Rate per \$100 of Assessed Valuation			
System Debt Service.....		\$0.00	
Road Debt Service.....		\$0.00	
Maintenance & Operations.....		<u>\$1.25</u>	
Total.....		<u>\$1.25</u>	
Average Annual Debt Service Requirements on the Bonds (2026-2050)	\$	626,934	(g)
Maximum Annual Debt Service Requirement on the Bonds (2050).....	\$	680,875	(g)
Tax Rate per \$100 of Assessed Valuation Required to Pay Average Annual			
Debt Service Requirements on the Bonds (2026-2050) at 95% Tax Collections			
Based Upon 2025 Certified Taxable Assessed Valuation		\$1.06	
Based Upon the Estimate of Value as of June 1, 2025.....		\$0.97	
Tax Rate per \$100 of Assessed Valuation Required to Pay Maximum Annual			
Debt Service Requirement on the Bonds (2050) at 95% Tax Collections			
Based Upon 2025 Certified Taxable Assessed Valuation		\$1.16	
Based Upon the Estimate of Value as of June 1, 2025.....		\$1.05	
Number of Single-Family Homes (including 13 homes in various			
stages of construction and 4 model homes) as of September 24, 2025		228	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2025, as provided by the Harris Central Appraisal District, Liberty County Central Appraisal District, and Montgomery Central Appraisal District (collectively, the "Appraisal Districts"). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal Districts as the Estimate of Value as of June 1, 2025. This value represents the estimated determination of the taxable value in the District as of June 1, 2025. Taxes are levied based on value as certified by the Appraisal Districts as of January 1 of each year, and therefore, this estimate will not be the basis for any tax levy by the District. See "TAXING PROCEDURES."

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

(d) See "RISK FACTORS - Operating Funds."

(e) Represents eighteen (18) months of capitalized interest to be deposited into the Road System Debt Service Fund (herein defined) upon closing of the Road Bonds. Neither Texas law nor the Road Bond Order requires that the District maintain any particular sum in the District's Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the System, including the Utility Bonds.

(f) Represents eighteen (18) months of capitalized interest to be deposited into the System Debt Service Fund (herein defined) upon closing of the Utility Bonds. Neither Texas law nor the Utility Bond Order requires that the District maintain any particular sum in the District's System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued for the acquisition or construction of the Road System, including the Road Bonds.

(g) Requirement of combined debt service on the Bonds. See "DISTRICT DEBT—Debt Service Requirements."

Debt Service Requirements

The following sets forth the total combined debt service on the principal and interest requirements on the Bonds.

Calendar Year	The Utility Bonds		The Road Bonds		Total Combined Debt Service
	Principal	Interest	Principal	Interest	
2026	–	\$ 145,105	–	\$ 185,299	\$ 330,404
2027	\$ 85,000	185,900	\$ 110,000	237,394	618,294
2028	90,000	180,375	120,000	230,244	620,619
2029	95,000	174,525	125,000	222,444	616,969
2030	100,000	168,350	130,000	214,319	612,669
2031	105,000	161,850	140,000	205,869	612,719
2032	110,000	156,600	145,000	198,869	610,469
2033	120,000	151,100	150,000	193,069	614,169
2034	125,000	146,300	160,000	187,069	618,369
2035	130,000	141,300	170,000	180,669	621,969
2036	140,000	136,100	175,000	173,869	624,969
2037	145,000	130,500	185,000	166,869	627,369
2038	155,000	124,700	195,000	159,469	634,169
2039	160,000	118,500	205,000	151,669	635,169
2040	170,000	112,100	220,000	143,469	645,569
2041	180,000	104,875	230,000	134,394	649,269
2042	190,000	97,225	240,000	124,619	651,844
2043	195,000	88,913	255,000	114,119	653,031
2044	210,000	80,138	265,000	102,644	657,781
2045	220,000	70,688	280,000	90,719	661,406
2046	230,000	60,513	295,000	77,769	663,281
2047	240,000	49,875	310,000	64,125	664,000
2048	255,000	38,475	330,000	49,400	672,875
2049	270,000	26,363	345,000	33,725	675,088
2050	<u>285,000</u>	<u>13,538</u>	<u>365,000</u>	<u>17,338</u>	<u>680,875</u>
Total	\$ 4,005,000	\$ 2,863,905	\$ 5,145,000	\$ 3,659,437	\$ 15,673,342

(a) Totals may not sum due to rounding.

Average Annual Requirements on the Bonds (2026-2050)	\$ 626,934
Maximum Annual Requirement on the Bonds (2050)	\$ 680,875

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Estimated Direct and Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot presently be determined. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes for debt service, and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Debt as of August 31, 2025	Estimated Overlapping Debt (a)	
		Percent	Amount
Harris County, Texas	\$2,358,264,736	0.01%	\$ 187,888
Harris County Flood Control District	963,805,000	0.01%	78,408
Port of Houston Authority	406,509,397	0.01%	32,731
Harris County Hospital District	867,820,000	0.01%	74,453
Harris County Dept of Education	28,960,000	0.01%	2,270
Montgomery County, Texas	516,260,000	0.00%	649
New Caney ISD	893,050,000	0.00%	13,894
Lone Star College System	436,935,000	0.00%	184
Liberty County, Texas	22,085,000	0.01%	2,612
Cleveland ISD	297,029,785	0.04%	106,169
Total Estimated Overlapping Debt		23.40%	\$ 499,257
The District			9,150,000 (b)
Total Direct & Estimated Overlapping Debt			\$ 9,649,257 (b)

(a) Based off the 2024 assessed values of the overlapping taxing jurisdictions.

(b) Includes the Bonds.

Debt Ratios

	% of 2025 Assessed Valuation	% of 6/1/2025 Estimate of Value
Direct Debt (a)	14.69%	13.32%
Direct and Estimated Overlapping Debt (a)	15.49%	14.04%

(a) Includes the Bonds.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "RISK FACTORS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Orders to levy such a tax from year-to-year as described more fully herein 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 for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA—Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State 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 Appraisal Districts have the responsibility for appraising property for all taxing units within its respective County, including the District. Such appraisal values are subject to review and change by the respective 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.

Property Subject to Taxation by the District

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 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 the District. Qualifying surviving spouses of person 65 years of age or older would be entitled to receive an exemption equal to the exemption received by the deceased spouse. The District may be required to offer such exemptions if a majority of voters approve the same at an election, which the District would be required to call upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or 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 for the full value of the veteran's residence 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. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization at no cost to the veteran. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. The surviving spouse of a member of the armed forces who was killed in action 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 is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption is transferrable to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to twenty (20%) percent of the appraised 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 District does not exempt any percentage of the market value of any residential homesteads from taxation.

Freeport Goods and Goods-in-Transit Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes, or used to repair or maintain aircraft of a certified air carrier, and shipped out of the state within one hundred seventy-five (175) days. Freeport goods are exempt from taxation by the District. Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax year 2011 and prior applicable years, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is 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 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. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following

tax year. The District has not taken action to tax Goods-in-Transit. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

The Counties may designate all or part of the area within the District as a reinvestment zone. Thereafter, the County and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. At this time, the Counties have not designated any of the area within the District as a reinvestment zone.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal Districts at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the respective 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.

The Property Tax Code requires the Appraisal Districts to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the Appraisal Districts as least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal Districts 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 Districts current estimates of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimates 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 Districts chooses formally to include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% 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 Districts 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.

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

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal 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 Appraisal Districts to compel compliance with the Property Tax Code.

The Property 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 Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals which are higher than renditions and appraisals of property not previously on an appraisal roll.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of projected build-out that the district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified 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 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 previous year’s maintenance and operations tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Property 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 previous year’s maintenance and operations tax rate.

The District: A determination as to the District’s status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. For the 2025 tax year, the District was designated 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.

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 Districts are 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, including such taxes for a period of three (3) years for agricultural use, timberland or open space land prior to the loss of the designation.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus

one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) to defray collection costs if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances. Under certain circumstances, property owners located within a natural disaster area affected by a disaster may pay property taxes in four equal installments following the disaster. Further, a person who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead.

Property owners affected by a disaster may pay property taxes in four equal installments following the disaster. In addition, certain classes of disabled veterans may receive a deferral or abatement of delinquent taxes without penalty during the time they own or occupy the property as their residential homestead.

District's Rights in the Event of Tax Delinquencies

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

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

LEGAL MATTERS

Legal Proceedings

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 an 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 and 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 for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations.

Bond Counsel has reviewed the information appearing in this Official Statement under the captions "THE DISTRICT—General," "THE BONDS (except under the subheading "Registered Owner's Remedies)," "TAXING PROCEDURES," "LEGAL MATTERS—Legal Proceedings," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District or the Developer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel'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 information contained herein.

The legal fees paid to Bond Counsel and Disclosure Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish to the initial purchasers of the Bonds (the "Initial Purchasers") a certificate, dated as of the Date of Delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their actual 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 or 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 Purchasers to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in this Official Statement, as it may be supplemented or amended, through the date of sale if available and paid for by the Initial Purchasers. The rating of the Insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Initial Purchasers of its obligations to take up and pay for the Bonds.

TAX MATTERS

The delivery of Bonds is subject to an opinion of Bond Counsel to the effect that, assuming continuing compliance by the District with the provisions of the Bond Order subsequent to the issuance of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), and existing regulations, published rulings and court decision procedures, interest on the bonds (i) will be excludable from the income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes and (ii) is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the alternative minimum tax imposed on corporations for tax years. The statutes, regulations, published rulings, and court decisions on which such opinion is based are subject to change.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover,

because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or Beneficial Owners to incur significant expense.

Proposed Tax Legislation

If enacted, tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or state income taxation, or otherwise prevent the Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, future legislation to resolve certain federal budgetary issues may significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax purposes of interest on all state and local obligations, including the Bonds. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

Tax Accounting Treatment of Original Issue Discount

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is entitled to be excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public. Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Qualified Tax-Exempt Obligations

The District has designated the Bonds as "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during the calendar year 2025 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2025. Pursuant to Section 265 of the Code, a qualifying financial institution may be allowed a deduction from its own federal corporate income tax for the portion of interest expense the financial institution is able to allocate to designated bank-qualified investments. Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

The discussion contained herein may not be exhaustive. Investors, including those who are subject to special provisions of the Code, should consult their own tax advisors as to the tax treatment which may be anticipated to result from the purchase, ownership, and disposition of tax-exempt obligations before determining whether to purchase the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the SEC regarding the District's continuing disclosure obligations because the District does not have more than \$10,000,000 in aggregate amount of outstanding bonds and no person is committed by contract or other arrangement with respect to payment of the Bonds. As required by the exemption, in the Bond Orders, 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 Bond Orders, 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") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes the quantitative financial information and operating data of the general type included in "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District) of this Official Statement. The District will update and provide this information within six (6) months after the end of each of its fiscal years ending in or after 2025. The District will provide the updated information to the MSRB via EMMA.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12. The updated information will include audited financial statements if the District 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, the District will provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month 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 Orders 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 August 31. Accordingly, it must provide updated information by February 28 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA of the change.

Event Notices

The District will provide timely notices of certain specified 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 IRS 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 material 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 within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District within the meaning of the Rule, the sale of all or substantially all of the assets of the District within the meaning of the Rule, other than in the ordinary course of business, or 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Orders makes 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 financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

The District has agreed to provide the foregoing notices to the MSRB. The District is required to file its continuing disclosure information using EMMA, which is the format currently prescribed by the MSRB and has been established by the MSRB to make such continuing disclosure information available to investors free of charge. Investors may access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of material 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 and Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The Developer has agreed to provide to the District the information that the District has agreed to provide with respect to the Developer. The Developer has also agreed with the District that it will not assign any of its rights to receive payment from the District out of proceeds of the Bonds (except as collateral), unless the assignee assumes the Developer's agreement to provide such information, but the Developer may sell its property within the District without any such assumption. The District's ability to provide information about the Developer or others, as well as the accuracy and completeness of such information, is completely dependent on such persons' compliance with their contractual agreements with the District.

The District may amend its continuing disclosure agreement 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 or the Developer, but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the Bonds consent or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Beneficial Owners of the Bonds. The District may also amend or repeal the agreement if the SEC amends or repeals the applicable provisions of such rule or a court of final jurisdiction determines that such provisions are invalid, but in either case only to the extent that its right to do so would not prevent the Initial Purchasers from lawfully purchasing the Bonds in the offering described herein. 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.

Compliance with Prior Undertakings

The Bonds are the first issuance of bonds by the District, therefore the District has not previously made any continuing disclosure agreements in accordance with the Rule.

OFFICIAL STATEMENT

Preparation

The information in this Official Statement has been obtained from sources as set forth herein under the following captions: "THE DISTRICT," "THE SYSTEM," "DEVELOPER AND PRINCIPAL LANDOWNER," "DEVELOPMENT WITHIN THE DISTRICT," "TAX DATA," "THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION," "TAXING PROCEDURES," "LEGAL MATTERS" and "TAX MATTERS."

Experts

In approving this Official Statement, the District has relied upon the following experts in addition to the Financial Advisor.

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and the Road System and, in particular, the information included in the sections entitled "THE DISTRICT," and "THE SYSTEM," has been provided by the Engineer, and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.

Tax Assessor/Collector and Appraisal Districts: The information contained in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "TAX DATA" has been provided by Utility Tax Services, LLC and the Appraisal Districts, in reliance upon their authority as experts in appraising and tax assessing.

Auditor

The District's audited financial statements for the year ended August 31, 2024, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, Houston, Texas, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Official Statement.

Certification as to Official Statement

The District, acting by and through its Board of Directors in its official capacity, in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, description and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchasers, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchasers elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchasers an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchasers; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchasers notify 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.

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 Plum Creek Management District No. 1A, as of the date shown on the first page hereof.

/s/ Kayla Rollins
President, Board of Directors
Plum Creek Management District No. 1A

ATTEST:

/s/ Gwenevere Mackler Matti
Secretary, Board of Directors
Plum Creek Management District No. 1A

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
LIBERTY, HARRIS, AND MONTGOMERY COUNTIES, TEXAS
ANNUAL FINANCIAL REPORT
AUGUST 31, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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McCALL GIBSON SWEDLUND BARFOOT PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Plum Creek Management District No. 1A
Liberty, Harris, and Montgomery Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Plum Creek Management District No. 1A (the "District") as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of August 31, 2024, 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.

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
Plum Creek Management District No. 1A

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.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The script is cursive and fluid.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

December 5, 2024

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

Management's discussion and analysis of the financial performance of Plum Creek Management District No. 1A (the "District") provides an overview of the District's financial activities for the fiscal year ended August 31, 2024. 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 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 taxes, developer advances, operating costs and general expenditures.

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

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 funds. 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 FINANCIAL 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 \$7,443,975 as of August 31, 2024. This is the District's first audit. The table on the following page provides a Summary of the Statement of Net Position for the years ended August 31, 2024 and August 31, 2023.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023*	Change Positive (Negative)
Current and Other Assets	\$ 29,427	\$ 2,587	\$ 26,840
Capital Assets (Net of Accumulated Depreciation)	<u>3,531,557</u>	<u></u>	<u>3,531,557</u>
Total Assets	<u>\$ 3,560,984</u>	<u>\$ 2,587</u>	<u>\$ 3,558,397</u>
Due to Developer	\$ 10,937,183	\$ 155,500	\$ (10,781,683)
Other Liabilities	<u>67,776</u>	<u>23,933</u>	<u>(43,843)</u>
Total Liabilities	<u>\$ 11,004,959</u>	<u>\$ 179,433</u>	<u>\$ (10,825,526)</u>
Net Position -			
Net Investment in Capital Assets	\$ (7,085,126)	\$	\$ (7,085,126)
Unrestricted	<u>(358,849)</u>	<u>(176,846)</u>	<u>(182,003)</u>
Total Net Position	<u>\$ (7,443,975)</u>	<u>\$ (176,846)</u>	<u>\$ (7,267,129)</u>

* Unaudited

The following table provides a summary of the District's operations for the years ending August 31, 2024 and August 31, 2023:

	Summary of Changes in the Statement of Activities		
	2024	2023*	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 18,765	\$	\$ 18,765
Miscellaneous Revenues	<u>196</u>	<u></u>	<u>196</u>
Total Revenues	\$ 18,961	\$ -0-	\$ 18,961
Conveyance of Assets and Expenses	<u>7,286,090</u>	<u>107,170</u>	<u>(7,178,920)</u>
Change in Net Position	\$ (7,267,129)	\$ (107,170)	\$ (7,159,959)
Net Position, Beginning of Year	<u>(176,846)</u>	<u>(69,676)</u>	<u>(107,170)</u>
Net Position, End of Year	<u>\$ (7,443,975)</u>	<u>\$ (176,846)</u>	<u>\$ (7,267,129)</u>

* Unaudited

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of August 31, 2024, was a deficit of \$39,850, a decrease of \$18,504 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a General Fund budget for the current year and did not amend it. Actual revenues were \$7,460 more than budgeted revenues, actual expenditures were \$105,449 more than budgeted expenditures and actual developer advances were \$79,485 more than budgeted. This resulted in a negative budget variance of \$18,504. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of August 31, 2024, total \$3,531,557 (net of accumulated depreciation) and include detention facilities. In accordance with the Agreement to Provide Water and Wastewater Service effective December 30, 2021, water and wastewater facilities are sold to Texas Water Utilities who will own, operate, and maintain the facilities for the benefit of customers within the District. Drainage facilities and roads are conveyed and maintained by the County. Detention facilities are owned and maintained by the District.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Subject to Depreciation:			
Detention Facilities	\$ 3,559,295	\$	\$ 3,559,295
Less Accumulated Depreciation	<u>(27,738)</u>	<u></u>	<u>(27,738)</u>
Total Net Capital Assets	<u>\$ 3,531,557</u>	<u>\$ -0-</u>	<u>\$ 3,531,557</u>

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

LONG-TERM DEBT

As of August 31, 2024, the District recorded an amount due to Developer of \$10,937,183 which consists of advances and estimated engineering and construction costs funded by the Developer.

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 Plum Creek Management District No. 1A, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Blvd., Suite 2650, Houston, Texas, 77056.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AUGUST 31, 2024

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 27,926	\$	\$ 27,926
Receivables -			
Property Taxes	1,501		1,501
Capital Assets (Net of Accumulated Depreciation)		<u>3,531,557</u>	<u>3,531,557</u>
TOTAL ASSETS	<u>\$ 29,427</u>	<u>\$ 3,531,557</u>	<u>\$ 3,560,984</u>
LIABILITIES			
Accounts Payable	\$ 67,776	\$	\$ 67,776
Due to Developers		<u>10,937,183</u>	<u>10,937,183</u>
TOTAL LIABILITIES	<u>\$ 67,776</u>	<u>\$ 10,937,183</u>	<u>\$ 11,004,959</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>\$ 1,501</u>	<u>\$ (1,501)</u>	<u>\$ -0-</u>
FUND BALANCE			
Unassigned	<u>\$ (39,850)</u>	<u>\$ 39,850</u>	<u>\$</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 29,427</u></u>		
NET POSITION			
Net Investment in Capital Assets		\$ (7,085,126)	\$ (7,085,126)
Unrestricted		<u>(358,849)</u>	<u>(358,849)</u>
TOTAL NET POSITION		<u><u>\$ (7,443,975)</u></u>	<u><u>\$ (7,443,975)</u></u>

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

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total Fund Balance - Governmental Fund	\$ (39,850)
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Amounts reported for governmental activities in the Statement of Net Position are different because -

Capital assets in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	3,531,557
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Deferred inflows of resources related to property tax revenues for the 2023 tax levy became part of recognized revenue in the governmental activities of the District.	1,501
--	-------

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	<u>(10,937,183)</u>
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Total Net Position - Governmental Activities	<u>\$ (7,443,975)</u>
--	-----------------------

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

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED AUGUST 31, 2024

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 17,264	\$ 1,501	\$ 18,765
Penalty and Interest	<u>196</u>	<u></u>	<u>196</u>
TOTAL REVENUES	<u>\$ 17,460</u>	<u>\$ 1,501</u>	<u>\$ 18,961</u>
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 62,749	\$	\$ 62,749
Contracted Services	41,584		41,584
Repairs and Maintenance	16,400		16,400
Depreciation		27,738	27,738
Other	80,231		80,231
Conveyance of Assets	<u></u>	<u>7,057,388</u>	<u>7,057,388</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 200,964</u>	<u>\$ 7,085,126</u>	<u>\$ 7,286,090</u>
DEFICIENCY OF REVENUES			
UNDER EXPENDITURES/EXPENSES	<u>\$ (183,504)</u>	<u>\$ (7,083,625)</u>	<u>\$ (7,267,129)</u>
OTHER FINANCING SOURCES			
Developer Advances	<u>\$ 165,000</u>	<u>\$ (165,000)</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE	\$ (18,504)	\$ 18,504	\$
CHANGE IN NET POSITION		(7,267,129)	(7,267,129)
FUND BALANCE (DEFICIT) /			
NET POSITION - SEPTEMBER 1, 2023	<u>(21,346)</u>	<u>(155,500)</u>	<u>(176,846)</u>
FUND BALANCE (DEFICIT) /			
NET POSITION - AUGUST 31, 2024	<u><u>\$ (39,850)</u></u>	<u><u>\$ (7,404,125)</u></u>	<u><u>\$ (7,443,975)</u></u>

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

**PLUM CREEK MANAGEMENT DISTRICT NO. 1A
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024**

Net Change in Fund Balance - Governmental Fund	\$	(18,504)
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Amounts reported for governmental activities in the Statement of Activities are different because -

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		1,501
--	--	-------

Governmental funds do not account for depreciation. However, depreciation expense is recorded in the Statement of Activities.		(27,738)
---	--	----------

Assets conveyed to other governmental entities are recorded as expenses in the Statement of Activities.		(7,057,388)
---	--	-------------

Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(165,000)
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Change in Net Position - Governmental Activities	\$	<u>(7,267,129)</u>
--	----	--------------------

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

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 1. CREATION OF DISTRICT

Plum Creek Management District No. 1A (the “District”) was duly created and established by a vote of the Board of Directors of Plum Creek Management District No. 1 dated October 27, 2020, dividing Plum Creek Management District No. 1 into Plum Creek Management District No. 1, Plum Creek Management District No. 1B and the District, in accordance with Chapter 3982, Texas Special District Local Laws Code, and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and operates pursuant to Chapter 49, Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended. The District is empowered and authorized to purchase, construct, acquire, own, operate, maintain, improve, or extend inside or outside its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation.

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.

Financial Statement Presentation

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. These classifications are defined on the following page.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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's 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, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

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.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund

The District has one governmental fund and considers it to be a major fund.

General Fund - To account for property tax revenues, developer advances, operating costs and general expenditures.

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 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 of \$5,000 or more and a useful life of two or more years following the date of acquisition. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation over the estimated useful lives of 45 years.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

In accordance with the Agreement to Provide Water and Wastewater Service effective December 30, 2021, water and wastewater facilities are sold to Texas Water Utilities who will own, operate, and maintain the facilities for the benefit of customers within the District. Drainage facilities and roads are conveyed and maintained by the County. Detention facilities are owned and maintained by the District.

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The 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 original budget 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 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.

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.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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. The District does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are 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 and 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.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. 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 \$27,926 and the bank balance was \$42,925. The District was not exposed to custodial credit risk.

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. 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 to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

As of August 31, 2024, the District did not have any investments.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 4. CAPITAL ASSETS

In accordance with the Agreement to Provide Water and Wastewater Service effective December 30, 2021, water and wastewater facilities are sold to Texas Water Utilities who will own, operate, and maintain the facilities for the benefit of customers within the District. Drainage facilities and roads are conveyed and maintained by the County. Detention facilities are owned and maintained by the District.

Capital asset activity for the current fiscal year is summarized in the following table:

	September 1, 2023	Increases	Decreases	August 31, 2024
Capital Assets Subject to Depreciation				
Detention Facilities	\$ -0-	3,559,295	\$ -0-	3,559,295
Accumulated Depreciation				
Detention Facilities	\$ -0-	27,738	\$ -0-	27,738
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ -0-	\$ 3,531,557	\$ -0-	\$ 3,531,557

NOTE 5. MAINTENANCE TAX

On November 7, 2023, the voters of the District approved to replace this with a levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. During the fiscal year ended August 31, 2024, the District levied an ad valorem maintenance tax of \$1.25 per \$100 of assessed valuation, which resulted in an adjusted tax levy of \$18,765 on the adjusted taxable valuation of \$1,501,178 for the 2023 tax year. Funds are to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose.

On November 2, 2021, the voters of the District approved the levy and collection of a parks and recreational facilities maintenance tax not to exceed \$0.10 per \$100 of assessed valuation to be used for constructing and maintaining the District's park and recreational facilities. As of August 31, 2024, the District has not levied a parks and recreational maintenance tax.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 6. 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 reductions in coverage from the prior year and settlements have not exceeded coverage since inception.

NOTE 7. SALES AND USE TAX

On November 2, 2021, the voters of the District approved the District's Board of Directors' authority to adopt, impose, assess and collect a sales and use tax at a rate not to exceed 1.5%, subject to the applicable provisions of the Texas Tax Code. As of August 31, 2024, the District has not levied a sales and use tax.

NOTE 8. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with a Developer within the District which calls for the Developer to make payments on behalf of the District for the construction of facilities serving the District as well as operating advances. The District has an obligation to reimburse the Developer for certain costs from proceeds of future bond issues. The District is responsible for reimbursing costs related to drainage, detention, roads, parks, and recreational facilities, while Texas Water Utilities will reimburse the Developer for costs associated with the construction of water and wastewater facilities.

The District has recorded a total liability to the Developer of \$10,937,183 for operating advances and projects that have been completed as of August 31, 2024. The actual amounts owed, including Developer interest, will be calculated at the time debt is issued to reimburse the Developer. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs for operating advances:

Due to Developer, beginning of year	\$ 155,500
Additions	<u>10,781,683</u>
Due to Developer, end of year	<u><u>\$ 10,937,183</u></u>

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 9. BONDS VOTED

As of August 31, 2024, the District had authorized but unissued bonds in the amount of \$187,800,000 for the purchase or construction of water, sewer, and drainage facilities and \$281,700,000 for the refunding of bonds issued for same, \$40,595,000 for the purchase or construction of parks and recreational facilities and \$60,892,500 for the refunding of bonds issued for same, and \$110,150,000 for the purchase or construction of road facilities and \$165,225,000 for the refunding of bonds for same.

NOTE 10. ECONOMIC DEPENDENCY AND DEFICIT FUND BALANCE

The District is reliant upon the Developer for operating advances to meet its financial obligations during the startup period. The Developer ability to make full and timely payments of operating advances could directly affect the District's ability to meet its financial obligations.

As of August 31, 2024, the District's General Fund fund balance was a deficit of \$39,850. This deficit is expected to be eliminated in the future as growth in the District progresses.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2024

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 10,000	\$ 17,264	\$ 7,264
Penalty and Interest	<u> </u>	<u>196</u>	<u>196</u>
TOTAL REVENUES	<u>\$ 10,000</u>	<u>\$ 17,460</u>	<u>\$ 7,460</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 70,000	\$ 62,749	\$ 7,251
Contracted Services	6,000	41,584	(35,584)
Repairs and Maintenance		16,400	(16,400)
Other	<u>19,515</u>	<u>80,231</u>	<u>(60,716)</u>
TOTAL EXPENDITURES	<u>\$ 95,515</u>	<u>\$ 200,964</u>	<u>\$ (105,449)</u>
DEFICIENCY OF REVENUES			
UNDER EXPENDITURES	<u>\$ (85,515)</u>	<u>\$ (183,504)</u>	<u>\$ (97,989)</u>
OTHER FINANCING SOURCES			
Developer Advances	<u>\$ 85,515</u>	<u>\$ 165,000</u>	<u>\$ 79,485</u>
NET CHANGE IN FUND BALANCE	\$ -0-	\$ (18,504)	\$ (18,504)
FUND DEFICIT- SEPTEMBER 1, 2023	<u>(21,346)</u>	<u>(21,346)</u>	<u> </u>
FUND DEFICIT - AUGUST 31, 2024	<u><u>\$ (21,346)</u></u>	<u><u>\$ (39,850)</u></u>	<u><u>\$ (18,504)</u></u>

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
SUPPLEMENTARY INFORMATION – REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE
AUGUST 31, 2024

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2024

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

<u> </u>	Retail Water	<u> </u>	Wholesale Water	<u> </u>	Drainage
<u> </u>	Retail Wastewater	<u> </u>	Wholesale Wastewater	<u> </u>	Irrigation
<u> </u>	Parks/Recreation	<u> </u>	Fire Protection	<u> </u>	Security
<u> </u>	Solid Waste/Garbage	<u> </u>	Flood Control	<u> </u>	Roads
<u> </u>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<u> X </u>	Texas Water Utilities is the provider of utility services to District residents.				

2. RETAIL SERVICE PROVIDERS: NOT APPLICABLE

3. TOTAL WATER CONSUMPTION: NOT APPLICABLE

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No X

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No X

Counties in which District is located:

Liberty, Harris, and Montgomery Counties, Texas

Is the District located within a city?

Entirely Partly Not at all X

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2024

5. LOCATION OF DISTRICT (Continued):

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

Entirely X Partly Not at all

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes No X

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2024

PROFESSIONAL FEES:

Engineering	\$ 19,989
Legal	<u>42,760</u>
TOTAL PROFESSIONAL FEES	<u>\$ 62,749</u>

CONTRACTED SERVICES -

Bookkeeping	\$ 2,963
Security	30,660
Tax Collection Costs	<u>7,961</u>
TOTAL CONTRACTED SERVICES	<u>\$ 41,584</u>

REPAIRS AND MAINTENANCE	<u>\$ 16,400</u>
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ADMINISTRATIVE EXPENDITURES:

Director Fees, Including Payroll Taxes	\$ 3,569
Election Costs	24,175
Insurance	3,068
Travel and Meetings	<u>130</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 30,942</u>

OTHER EXPENDITURES -

Sludge Hauling	<u>\$ 49,289</u>
TOTAL EXPENDITURES	<u>\$ 200,964</u>

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>Maintenance Taxes</u>	
TAXES RECEIVABLE -		
SEPTEMBER 1, 2023	\$ -0-	
Adjustments to Beginning		
Balance	<u> </u>	\$ -0-
Original 2023 Tax Levy	\$ 18,765	
Adjustment to 2023 Tax Levy	<u> </u>	<u>18,765</u>
TOTAL TO BE		
ACCOUNTED FOR		\$ 18,765
TAX COLLECTIONS:		
Prior Years	\$ -0-	
Current Year	<u>17,264</u>	<u>17,264</u>
TAXES RECEIVABLE -		
AUGUST 31, 2024		<u><u>\$ 1,501</u></u>
TAXES RECEIVABLE BY		
YEAR:		
2023		<u><u>\$ 1,501</u></u>

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>2023</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 1,501,178</u>
TAX RATES PER \$100 VALUATION -	
Maintenance	<u>\$ 1.25</u>
ADJUSTED TAX LEVY*	<u><u>\$ 18,765</u></u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>92.00 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on November 7, 2023.

See accompanying independent auditor's report.

PLUM CREEK MANAGEMENT DISTRICT NO. 1A
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – ONE YEAR

	<u>Amounts</u>	<u>Percentage of Total Revenues</u>
	<u>2024</u>	<u>2024</u>
REVENUES		
Property Taxes	\$ 17,264	98.9 %
Miscellaneous Revenues	<u>196</u>	<u>1.1</u>
TOTAL REVENUES	<u>\$ 17,460</u>	<u>100.0 %</u>
EXPENDITURES		
Professional Fees	\$ 62,749	359.4 %
Contracted Services	41,584	238.2
Repairs and Maintenance	16,400	93.9
Other	<u>80,231</u>	<u>459.5</u>
TOTAL EXPENDITURES	<u>\$ 200,964</u>	<u>1,151.0 %</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ (183,504)</u>	<u>(1,051.0) %</u>
OTHER FINANCING SOURCES		
Developer Advances	<u>\$ 165,000</u>	
NET CHANGE IN FUND BALANCE	\$ (18,504)	
BEGINNING FUND BALANCE (DEFICIT)	<u>(21,346)</u>	
ENDING FUND BALANCE (DEFICIT)	<u>\$ (39,850)</u>	
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>**</u>	
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>**</u>	

** Utility services are provided by Texas Water Utilities.

See accompanying independent auditor's report.

District Mailing Address	- Plum Creek Management District No. 1A c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP 1330 Post Oak Boulevard, Suite 2650 Houston, TX 77056
District Telephone Number	- (713) 850-9000

Note: 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 developer or with any of the District's consultants.

Submission date of most recent District Registration Form: November 30, 2023

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution effective October 27, 2020. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

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PLUM CREEK MANAGEMENT DISTRICT NO. 1A
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended August 31, 2024</u>	<u>Title</u>
Sanford Kuhl Hagan Kugle Parker Kahn LLP	10/27/20	\$ 46,571	General Counsel
McCall Gibson Swedlund Barfoot PLLC	07/24/24	\$ -0-	Auditor
L&S District Services LLC	10/27/20	\$ 2,963	Bookkeeper/ Investment Officer
R. W. Baird & Company Inc.	10/27/20	\$ -0-	Financial Advisor
LJA Engineering	03/02/23	\$ 19,989	Engineer
Utility Tax Service LLC	08/08/23	\$ 6,450	Tax Assessor/ Collector
Ted A. Cox, PC	08/08/23	\$ -0-	Delinquent Tax Attorney

See accompanying independent auditor's report.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

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