# PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 11, 2025



This Preliminary Official Statement is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds. Upon sale of the Bonds, the Official Statement will be completed and delivered to the Underwriter.

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF ROCK PRAIRIE MANAGEMENT DISTRICT NO. 2, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION SUBJECT TO THE MATTERS DESCRIBED UNDER "LEGAL MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

THE BONDS HAVE BEEN DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "LEGAL MATTERS—Qualified Tax-Exempt Obligations."

**BOOK-ENTRY-ONLY**

## $2,750,000
## ROCK PRAIRIE MANAGEMENT DISTRICT NO. 2
*(A political subdivision of the State of Texas located within Brazos County)*
## UNLIMITED TAX ROAD BONDS
## SERIES 2025

**Dated: December 1, 2025** **Due: September 1, as shown below**
**Interest Accrual Date: Date of Delivery**

Principal of the bonds described above (the "Bonds") will be payable at maturity or earlier redemption at the principal payment office of the Paying Agent/Registrar, initially The Bank of New York Mellon Trust Co., N.A., Houston, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will accrue from the initial date of delivery (expected to be on or about December 11, 2025) (the "Delivery Date") and will be payable on March 1 and September 1 of each year commencing March 1, 2026 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued in fully registered form only in denominations of $5,000 each or integral multiples thereof. The Bonds will be subject to redemption prior to their maturity, as shown below.

The Bonds will be registered and delivered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial Owners (as defined herein under "BOOK-ENTRY-ONLY SYSTEM") of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the DTC participants. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar, as herein defined, directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. See "BOOK-ENTRY-ONLY SYSTEM."

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

| Due (Sept 1) | Principal Amount (a) | Interest Rate | Initial Reoffering Yield (b) | CUSIP Number (d) | Due (Sept 1) | Principal Amount (a) | Interest Rate | Initial Reoffering Yield (b) | CUSIP Number (d) |
|---|---|---|---|---|---|---|---|---|---|
| 2027 | $ 90,000 | | | | 2039 | $ 115,000 (c) | | | |
| 2028 | 90,000 | | | | 2040 | 115,000 (c) | | | |
| 2029 | 95,000 | | | | 2041 | 120,000 (c) | | | |
| 2030 | 95,000 | | | | 2042 | 120,000 (c) | | | |
| 2031 | 100,000 | | | | 2043 | 125,000 (c) | | | |
| 2032 | 100,000 (c) | | | | 2044 | 125,000 (c) | | | |
| 2033 | 100,000 (c) | | | | 2045 | 130,000 (c) | | | |
| 2034 | 105,000 (c) | | | | 2046 | 130,000 (c) | | | |
| 2035 | 105,000 (c) | | | | 2047 | 135,000 (c) | | | |
| 2036 | 110,000 (c) | | | | 2048 | 135,000 (c) | | | |
| 2037 | 110,000 (c) | | | | 2049 | 140,000 (c) | | | |
| 2038 | 115,000 (c) | | | | 2050 | 145,000 (c) | | | |

(a) The Underwriter (as herein defined) may designate one or more maturities as term bonds. See accompanying "OFFICIAL NOTICE OF SALE" and "OFFICIAL BID FORM."
(b) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.
(c) The Bonds maturing on or after September 1, 2032 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, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See "THE BONDS—Redemption Provisions."
(d) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

The Bonds, when issued, will constitute valid and legally binding obligations of Rock Prairie Management District No. 2 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Brazos County, the City of College Station or any entity other than the District. Investment in the Bonds is subject to special investment considerations described herein. See "RISK FACTORS."

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about December 11, 2025.

**BIDS DUE: THURSDAY, NOVEMBER 6, 2025 AT 9:00 A.M., HOUSTON TIME, HOUSTON, TEXAS**
**BID AWARD: THURSDAY, NOVEMBER 6, 2025 AT 12:00 P.M., HOUSTON TIME, COLLEGE STATION, TEXAS**

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## USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

This Official Statement is not to be used in 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, audited financial statements, 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 Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas, 77056 upon payment of the costs of duplication.

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 purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that relevant information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Underwriter, and thereafter only as specified in "UPDATING OF OFFICIAL STATEMENT."

## OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of the entire OFFICIAL STATEMENT and of the documents summarized or described therein.

## THE DISTRICT

*Description and Location* ................................ The District was created in 2013 by a special act of the 83rd Texas Legislature, House Bill 3874, Regular Session, codified as Chapter 3909, Texas Special District Local Laws Code (the "Act") pursuant to Sections 52 and 52-a, Article III, and Section 59, Article XVI, of the Texas Constitution. The District contains approximately 319 acres of land and is located on the east side of Texas State Highway 6 between Rock Prairie Road and William D. Fitch Parkway, which is approximately 5 miles south of the central business district of the City of College Station. The district lies entirely within the corporate limits of the City of College Station (the "City") and within the boundaries of the College Station Independent School District. See "THE DISTRICT" and "AERIAL PHOTOGRAPH."

*The Developers* ........................... Approximately 120 acres within the District is being developed as Midtown City Center by College Station Town Center, Inc., a Texas corporation ("CSTC"), which was formed for the sole purpose of developing its land in the District. Its only substantial asset consists of land in the District. James Murr is the President of CSTC and an owner of a portion of CSTC. Currently, CSTC owns approximately 78 acres of land within the District, all of which is served with trunk utilities and has no vertical improvements.

Approximately 172 acres of land within the District is being developed as Midtown Reserve for single family purposes by College Station Downtown Residential LLC ("CSDR"), a Texas limited liability company, which was formed for the sole purpose of developing its land in the District. Its only substantial asset consists of land in the District. James Murr is a director of DM-CSDR Inc., which is a member of CSDR. Currently, CSDR owns approximately 45 acres within the District, all of which is served with trunk utilities and has no vertical improvements.

CSTC and CSDR are collectively referred to herein as the "Developers." Neither the Developers nor any of their affiliates are obligated to pay any principal or interest on the Bonds. See "THE DEVELOPERS."

The Developers have each entered into various Utility Development Agreements with the District to provide for the financing and construction of water, sewer, drainage and road facilities for the District. See "THE DEVELOPERS" and "TAX DATA—Principal Taxpayers."

The remaining developable land in the District is owned by several property owners.

*Status of Development* ................ Water, sewer and drainage facilities, as well as roads, are complete to serve Midtown Reserve Subdivision (approximately 108 acres developed into 601 single family residential lots). Home construction began in 2019 and, as of August 1, 2025, the District consisted of 449 completed and occupied homes, 2 completed and unoccupied homes, 55 homes under construction, 1 model home, and 94 vacant developed lots. In addition there are 164 lots under construction on approximately 29 acres with completion expected in the fall of 2025. Homebuilding in the District is currently being conducted by DR Horton, Kaleo Homes, and Boxwood Homes. New homes in the District range in price from approximately $300,000 to $600,000.

Utility trunk facilities and roads have also been constructed to serve approximately 92 acres of commercial and multi-family development within the District. Commercial development to date includes an office park located on approximately 11 acres, Accel at College Station, a 116-bed transitional care and rehabilitation facility located on approximately 8 acres, and a 264-unit apartment complex located on approximately 9 acres. The remaining 64 acres of commercial and multi-family reserves do not have vertical construction. See "TAX DATA—Principal Taxpayers."

The balance of the District consists of approximately 9 undeveloped but developable acres and approximately 81 undevelopable acres of easements, parks and rights-of-way. See "THE DISTRICT-Status of Development."

*Water and Wastewater* ............... Retail water and wastewater service for development within the District is provided by College Station Utilities ("CSU"). CSU holds the requisite certificates of convenience and necessity over the land within the District. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF COLLEGE STATION."

## THE FINANCING

*The Issue*.................................... $2,750,000 Rock Prairie Management District No. 2 Unlimited Tax Road Bonds, Series 2025, dated December 1, 2025. The Bonds mature serially on September 1 in each of the years from 2027 through 2050, both inclusive, in the respective amounts and bearing interest at the rates for each maturity shown on the cover page hereof. Interest on the Bonds will accrue from the Delivery Date (expected to be on or about December 11, 2025) and will be payable March 1 and September 1 of each year commencing March 1, 2026 until maturity or prior redemption and will be calculated on the basis of 360-day year consisting of twelve 30-day months. The Bonds maturing on or after September 1, 2032 are subject to optional redemption, in whole or, from time to time, in part, on September 1, 2031, or on any date thereafter, at a price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. If less than all the Bonds are redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be selected by the District in integral multiples of $5,000 in any one maturity. If less than all the Bonds within a maturity are redeemed, the Bonds to be redeemed shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM" and "THE BONDS—Redemption Provisions." The Bonds will be issued in fully registered form only, in denominations of $5,000 or any integral multiple thereof. See "THE BONDS."

*Book-Entry-Only* ....................... The Bonds will be registered in the name of, and delivered only to, Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC, which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY- ONLY SYSTEM."

*Authority for Issuance* ............... The Bonds are the sixth series of bonds issued out of an aggregate of $106,600,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of acquiring or constructing road facilities. The Bonds are issued pursuant to the Bond Order (as defined herein); an election held within the District on November 3, 2015; Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas; Chapter 3909, Texas Special District Local Laws Code; Chapter 49 of the Texas Water Code, as amended; Chapter 375 of the Texas Local Government Code, as amended; and the consent of the City. See "THE BONDS—Authority for Issuance."

*Source of Payment*..................... The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Brazos County, the City of College Station or any entity other than the District. See "THE BONDS—Source and Security for Payment."

*Use of Proceeds*......................... Proceeds of the Bonds will be used to finance items described herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, Bond proceeds will be used to capitalize twelve (12) months of interest on the Bonds; to pay interest on funds advanced by the Developers on behalf of the District; and to pay engineering fees and administrative costs and certain other costs related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

*Payment Record* ........................ The District has previously issued $10,900,000 principal amount of unlimited tax road bonds in five series (the "Previously Issued Bonds"). The District has a total of $10,470,000 principal amount of bonds outstanding as of September 2, 2025 (the "Outstanding Bonds"). The District has never defaulted on the debt service payments on the Previously Issued Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

*Municipal Bond Rating and Municipal Bond Insurance* .... The District has not applied for an underlying rating nor is it expected that the District would have received an investment grade rating had such application been made. Applications have been made to various municipal bond insurance companies for qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter at the Underwriter's expense. See "RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

*Qualified Tax-Exempt Obligations* ........................... The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS—Qualified Tax-Exempt Obligations."

*Bond Counsel* ........................... Schwartz, Page & Harding, L.L.P., Houston, Texas.

*Engineer* .................................. EHRA Engineering, Houston, Texas and Schultz Engineering, LLC, College Station, Texas.

*Disclosure Counsel*.................... McCall, Parkhurst & Horton L.L.P, Houston, Texas.

*Financial Advisor* ...................... Masterson Advisors LLC, Houston, Texas.

*Paying Agent/Registrar* ............. The Bank of New York Mellon Trust Company, N.A., Houston, Texas.

## RISK FACTORS

The purchase and ownership of the Bonds are subject to special investment considerations, and all prospective purchasers are urged to examine carefully the entire Official Statement with respect to the investment security of the Bonds, including particularly the section captioned "RISK FACTORS."

## FINANCIAL INFORMATION (UNAUDITED)

| | |
|---|---|
| 2025 Taxable Assessed Valuation | $194,359,334 (a) |
| Estimate of Taxable Assessed Valuation as of August 1, 2025 | $225,026,066 (b) |
| | |
| Gross Direct Debt Outstanding | $13,220,000 (c) |
| Estimated Overlapping Debt | 10,324,879 |
| Total Gross Direct Debt and Estimated Overlapping Debt | $23,544,879 |
| | |
| Ratios of Gross Direct Debt to: | |
| 2025 Taxable Assessed Valuation | 6.80% |
| Estimate of Taxable Assessed Valuation as of August 1, 2025 | 5.87% |
| | |
| Ratios of Gross Direct and Estimated Overlapping Debt to: | |
| 2025 Taxable Assessed Valuation | 12.11% |
| Estimate of Taxable Assessed Valuation as of August 1, 2025 | 10.46% |
| | |
| 2025 Debt Service Tax Rate | $0.454 |
| 2025 Maintenance Tax Rate | 0.196 |
| Total | $0.650 |
| | |
| Average Annual Debt Service Requirement (2026-2050) | $844,866 (d) |
| Maximum Annual Debt Service Requirement (2027) | $946,063 (d) |
| | |
| Tax Rate Required to Pay Average Annual Debt Service (2026-2050) at a 95% Collection Rate | |
| Based upon 2025 Taxable Assessed Valuation | $0.46 |
| Based upon Estimate of Taxable Assessed Valuation as of August 1, 2025 | $0.40 |
| Tax Rate Required to Pay Maximum Annual Debt Service (2027) at a 95% Collection Rate | |
| Based upon 2025 Taxable Assessed Valuation | $0.52 |
| Based upon Estimate of Taxable Assessed Valuation as of August 1, 2025 | $0.45 |

Status of Residential Development as of August 1, 2025 (e):

| | |
|---|---|
| Total Homes Completed (including 449 occupied) | 451 |
| Homes Under Construction | 55 |
| Model Homes | 1 |
| Vacant Developed Lots | 94 |
| Lots Under Construction | 164 |
| Multi-Family (264 units) | 1 |
| | |
| Estimated 2025 Population | 2,100(f) |

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(a) The 2025 Taxable Assessed Valuation shown herein includes $186,483,944 of certified value and $7,875,390 of uncertified value as of January 1, 2025. The uncertified value is subject to downward revision or adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Brazos Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable appraised value within the District on August 1, 2025. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAXING PROCEDURES."

(c) After giving effect to issuance of the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(d) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(e) See "THE DISTRICT—Land Use" and "Status of Development."

(f) Based upon 3.5 persons per occupied single-family residence and 2 persons per occupied multi-family residence.

## PRELIMINARY OFFICIAL STATEMENT

**$2,750,000**
**ROCK PRAIRIE MANAGEMENT DISTRICT NO. 2**
*(A political subdivision of the State of Texas located within Brazos County)*

## UNLIMITED TAX ROAD BONDS
## SERIES 2025

This Official Statement provides certain information in connection with the issuance by Rock Prairie Management District No. 2 (the "District") of its $2,750,000 Unlimited Tax Road Bonds, Series 2025 (the "Bonds").

The Bonds are issued pursuant to a Bond Order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board"); an election held within the District on November 3, 2015; Article III, Section 52 of the Texas Constitution; Chapter 3909 of the Texas Special District Local Laws Code, as amended; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions, including Chapter 49 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended; and the consent of the City of College Station (the "City" or "College Station").

This Official Statement includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about the District and College Station Town Center, Inc. and College Station Downtown Residential LLC (collectively, the "Developers"), the developers of land within the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from the District upon payment of the costs of duplication therefor.

## THE BONDS

### General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

### Description

The Bonds will be dated December 1, 2025, with interest payable on 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 initially accrues from the Delivery Date (expected to be on or about December 11, 2025) of the Bonds to the Underwriter thereof, and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 in each of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

### Authority for Issuance

At an election held within the District on November 3, 2015, voters of the District authorized a total of $106,600,000 in unlimited tax bonds for the purpose of acquiring or constructing road facilities. The Bonds constitute the sixth issuance of bonds from such authorization. After the issuance of the Bonds, a total of $92,950,000 in principal amount of unlimited tax bonds for road facilities will remain authorized but unissued. The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order; Article III, Section 52 of the Texas Constitution; Chapter 3909, Texas Special District Local Laws Code; the general laws of the State of Texas, including without limitation Chapter 49 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended; the consent of the City; and an election held within the District as described above. At the above-described election, voters in the District also authorized a total of $71,400,000 in unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer, and drainage facilities. The District has not issued any bonds from such authorization. See "Issuance of Additional Debt" below.

## Source and Security for Payment

The Bonds, together with the Outstanding Bonds and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. See "TAXING PROCEDURES." Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "RISK FACTORS." The Bonds are obligations solely of the District and are not obligations of the City of College Station, Brazos County, the State of Texas, or any political subdivision or entity other than the District.

## Funds

The Bond Order confirms the prior creation of the District's Debt Service Fund, including the sub-accounts which are used to separate funds received to pay debt service on bonds issued to finance water, wastewater and storm drainage facilities ("WSD Bonds") from funds received to pay debt service on bonds issued to finance road facilities ("Road Bonds"). The Bond Order also confirms the District's Construction Fund, including the sub-accounts which are used to separate proceeds from WSD Bonds and Road Bonds. An amount equal to twelve months of interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the sub-account of the Debt Service Fund created in respect of Road Bonds. All remaining proceeds of the Bonds will be deposited in the sub-account of the Construction Fund created in respect of Road Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond Proceeds.

The proceeds from all taxes levied, appraised and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the sub-account of the Debt Service Fund created in respect of Road Bonds. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds, the Bonds and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and funds in the sub-accounts created in respect of Road Bonds are to be used for payment of debt service on the Bonds and any of the District's duly authorized Road Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-accounts of the Debt Service Fund created in respect of Road Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds, the Outstanding Bonds and any of the Districts duly authorized additional bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due to or become due on Road Bonds, together with interest thereon, as such tax anticipation notes become due. Funds otherwise on deposit in the Debt Service Fund, including funds in a sub-account created in respect of WSD Bonds, will not be allocated to the payment of the Bonds.

## Record Date

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

## Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2031, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

By the redemption date, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

## Method of Payment of Principal and Interest

The Board has appointed The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Houston, Texas, as the initial Paying Agent/Registrar for the Bonds. The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "BOOK-ENTRY-ONLY SYSTEM."

**Registration**

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK- ENTRY-ONLY SYSTEM." So long as any Bonds remain outstanding, the District will maintain at least one paying agent/registrar in the State of Texas for the purpose of maintaining the Register on behalf of the District.

**Replacement of Paying Agent/Registrar**

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission.

**Legal Investment and Eligibility to Secure Public Funds in Texas**

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the District:

"(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.

**Issuance of Additional Debt**

The District's voters have authorized the issuance of a total of $106,600,000 unlimited tax bonds for the purpose of acquiring or constructing road facilities and could authorize additional amounts. Following the issuance of the Bonds, the District will have $92,950,000 of unlimited tax bonds authorized but unissued for said improvements and facilities. The District's voters have also authorized the issuance of a total of $71,400,000 unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer, and drainage facilities, and could authorize additional amounts. The District voters have authorized a total of $178,000,000 unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts. No bonds have been issued from said unlimited tax water, sanitary sewer, and drainage facilities authorization and unlimited tax refunding authorizations.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District.

## Financing Road Facilities

Pursuant to provisions of the Texas Constitution and the Act, as defined herein, the District is authorized to develop and finance with property taxes certain road facilities following a successful District election to approve the issuance of road bonds payable from taxes. At an election held within the District on November 3, 2015, voters of the District authorized a total of $106,600,000 in principal amount of unlimited tax bonds for acquiring and constructing road facilities. The Bonds are the sixth series of bonds issued from said authorization. After issuance of the Bonds, the District will have $92,950,000 principal amount of unlimited tax bonds for acquiring or constructing road facilities authorized but unissued for said improvements and facilities. See "—Issuance of Additional Debt" herein and "RISK FACTORS – Future Debt." Issuance of additional bonds for road facilities may dilute the investment security for the Bonds.

## Financing Recreational Facilities

The District is authorized to finance, operate, maintain and construct certain recreational facilities; provided, however, the District may not issue bonds payable from ad valorem taxes for said recreational facilities.

## Abolishment

Under Texas law, the District may be abolished and dissolved by the City without the District's consent; provided, however, the City's right to dissolve the District is limited by the terms set forth in the Utility Agreement. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF COLLEGE STATION." If the District is abolished, the City will assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days thereafter. Prior to abolishment and dissolution by the City, the District shall have the opportunity to discharge any obligations of the District by selling its bonds or by causing the City to sell bonds of the City in an amount necessary to discharge such obligations. Abolishment of the District by the City is a policymaking matter within the discretion of the Mayor and the City Council of the City, and, therefore, the District makes no representation that abolishment will or will not occur. Moreover, no representation is made concerning the ability of the City of College Station to make debt service payments should abolishment occur.

## Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests 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. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies may also not be available. See "RISK FACTORS—Registered Owners' Remedies."

## Defeasance

The Bond Order provides 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) for obligations of the District payable from revenues or from ad valorem taxes or both, or a commercial bank or trust company designated in the proceedings authorizing such discharge amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

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

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law.

## BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book- Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor take any responsibility for the accuracy or completeness thereof.

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters take any responsibility for the accuracy thereof.

## THE DISTRICT

### General

The District is a municipal management district created in 2013 by a special act of the 83rd Texas Legislature, House Bill 3874, Regular Session, codified as Chapter 3909, Texas Special District Local Laws Code (the "Act") pursuant to Sections 52 and 52-a, Article III, and Section 59, Article XVI, of the Texas Constitution, and operates under the provisions of the Act, Chapter 49, Texas Water Code, as amended, Chapter 375, Texas Local Government Code, as amended, and other general statutes of Texas applicable to municipal management districts. The District contains approximately 319 acres of land and is located on the east side of Texas State Highway 6 between Rock Prairie Road and William D. Fitch Parkway, which is approximately 5 miles south of the central business district of the City. The District lies entirely within the corporate limits of the City and within the boundaries of the College Station Independent School District. See "AERIAL PHOTOGRAPH." The District is subject to the continuing supervisory jurisdiction of the Texas Commission on Environmental Quality ("TCEQ").

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District is also empowered to construct and finance certain road facilities. The District may issue bonds and other forms of indebtedness to purchase or construct all of such facilities. The District may also provide solid waste disposal and collection services. Additionally, the District is empowered to finance operate, maintain and construct recreational facilities, but may not issue bonds payable from ad valorem taxes therefor. See "THE BONDS-Issuance of Additional Debt" and "-Financing Road Facilities."

The TCEQ exercises continuing supervisory jurisdiction over the District with respect to water, wastewater and drainage projects. The District is required to observe certain requirements of the City which, along with Texas law, limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; and require certain public facilities to be designed in accordance with applicable City standards. Construction and operation of the District's facilities are subject to the regulatory jurisdiction of additional government agencies. See “UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF COLLEGE STATION.”

## Land Use

| *Single-Family Residential* | Approximate Acres | Lots |
|---|---|---|
| Midtown Reserve Subdivision: | | |
| Phase 100 | 5 | 26 |
| Phase 102 | 9 | 62 |
| Phase 103 | 1 | 9 |
| Phase 104 | 5 | 36 |
| Phase 105 | 10 | 69 |
| Phase 106 | 7 | 50 |
| Phase 107 | 8 | 48 |
| Phase 109 | 17 | 26 |
| Phase 110 | 12 | 78 |
| Phase 111 | 3 | 21 |
| Phase 112 | 3 | 19 |
| Phase 113 | 7 | 52 |
| Phase 114 (a) | 18 | 122 |
| Phase 115 | 5 | 1 |
| Phase 116 (a) | 11 | 42 |
| Phase 200 | 9 | 49 |
| Phase 201 | 7 | 55 |
| Subtotal | 137 | 765 |
| Midtown City Center: | | |
| Phase 404A | 2 | 22 |
| Subtotal | 2 | 22 |
| *Developed Commercial (Office Park and Rehab Center)* | 19 | --- |
| *Commercial Reserves served with Trunk Utilites (no vertical)* | 62 | --- |
| *Multi-family Reserves (b)* | 9 | --- |
| *Remaining Developable Acreage* | 9 | --- |
| *Non-Developable (Easements, Parks and Rights-of-way)* | 81 | --- |
| Total | 319 | 787 |

(a) Under construction with completion expected Fall 2025.
(b) A 264-unit apartment complex completed construction.

## Status of Development

Water, sewer and drainage facilities, as well as roads, are complete to serve Midtown Reserve Subdivision (approximately 108 acres developed into 601 single family residential lots). Home construction began in 2019 and, as of August 1, 2025, the District consisted of 449 completed and occupied homes, 2 completed and unoccupied homes, 55 homes under construction, 1 model home, and 94 vacant developed lots. In addition there are 164 lots under construction on approximately 29 acres with completion expected in the fall of 2025. Homebuilding in the District is currently being conducted by DR Horton, Kaleo Homes, and Boxwood Homes. New homes in the District range in price from approximately $300,000 to $600,000.

Utility trunk facilities and roads have also been constructed to serve 92 acres of commercial and multi-family development within the District. Commercial development to date includes an office park located on approximately 11 acres, Accel at College Station, a 116-bed transitional care and rehabilitation facility located on approximately 8 acres, and a 264-unit apartment complex located on approximately 9 acres. The remaining 64 acres of commercial and multi-family reserves do not have vertical construction. See “TAX DATA—Principal Taxpayers.”

The balance of the District consists of approximately 9 undeveloped but developable acres and approximately 81 undevelopable acres of easements, parks and rights-of-way.

**Future Development**

Approximately 9 developable acres of land in the District are not yet fully served with the water, sanitary sewer, drainage, storm sewer or road facilities necessary for the construction of taxable improvements. While the Developers anticipate future development of this acreage as business conditions warrant, there can be no assurances if and when any of such undeveloped land will ultimately be developed. The District anticipates issuing additional bonds to accomplish full development of the District. See "RISK FACTORS—Possible Impact on District Tax Rates." The Engineer has stated that under current development plans, the remaining authorized but unissued bonds ($92,950,000 principal amount for road facilities and $71,400,000 principal amount for water, sanitary sewer, drainage facilities) should be sufficient to finance the construction of water, sanitary sewer, drainage and road facilities required for full development of the District.

## UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF COLLEGE STATION

The District operates pursuant to a Utility and Road Agreement between the City and the District, dated as of February 17, 2015 (the "Utility Agreement"). Pursuant to the Utility Agreement, the District assumed responsibility for acquiring and constructing for the benefit of the City, the water distribution, wastewater collection, storm water, and road facilities, to serve development occurring within the boundaries of the District (the "Facilities"). The District has agreed to convey, and the City has agreed to accept, the Facilities, except for stormwater detention facilities and recreational facilities, for operation and maintenance at the sole cost of the City in consideration for the District's financing, acquisition and construction of the Facilities. It is the City's obligation to set rates and charges for the use of the Facilities and to bill and collect such rates and charges from customers of the Facilities. The City has agreed to charge residents of the District equal and uniform water and wastewater rates as those users of similar classifications in non-municipal utility district areas of the City. All revenues from the Facilities belong exclusively to the City. The Utility Agreement provides that the Facilities shall be designed and constructed in accordance with the City's requirements and criteria.

The City has agreed to provide the District with its ultimate requirements for water supply capacity and wastewater treatment capacity without capital charges of any kind. The City has covenanted to maintain the Facilities, or cause the Facilities to be maintained, in good condition and working order and to operate the same, or cause the same, to be operated in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. The City has also covenanted to comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders by any governmental or judicial body promulgating the same.

Under the Utility Agreement, the District is authorized to issue bonds to finance the construction and acquisition of the Facilities. The Bonds must be approved by the City for compliance with the City's ordinance consenting to the creation of the District and the City's policy related to municipal management districts.

The District is authorized by the Act to construct, maintain and finance recreational facilities with the use of any available funds, and the City has consented to the use of any available funds for such purposes in Resolution No. 07-09-15-02 dated July 9, 2015 as amended by Resolution No. 03-11-21-3.8 dated March 11, 2021. Pursuant to an Interlocal Agreement between the District and the City dated March 11, 2021, the neighborhood park(s) and/or community park(s) within the District will be dedicated to the City per the City's Unified Development Ordinance, but operated and maintained by the District. Pursuant to the Utility Agreement, said recreational facilities will not be conveyed to the City.

The City's right to dissolve the District is restricted under the Utility Agreement. Under the terms of the Utility Agreement, the City agrees that it will not dissolve the District until the Infrastructure and Economic Development Agreement between the City and CSTC (defined herein), and as partially assigned to the District and CSDR (defined herein), has expired or has been terminated. The City has also agreed to afford the District the opportunity to discharge any remaining District obligations under any existing Utility Development Agreement with a developer in the District by authorizing the sale of bonds during a dissolution transition period or selling bonds of the City in an amount adequate to discharge the District's obligations. See "THE BONDS—Abolishment."

## MANAGEMENT OF THE DISTRICT

### Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors serve staggered four-year terms and are appointed by the City based on nominations from the Board. All of the directors are qualified to serve the District. The Directors of the District are listed below:

| Name | Title | Term Expires |
|---|---|---|
| Uri Geva | President | June 2027 |
| Hays Glover | Vice President | June 2027 |
| Mark Lindemulder | Secretary | June 2027 |
| Logan Lee | Assistant Vice President | June 2029 |
| Samuel Kerbel | Assistant Secretary | June 2029 |

The District has no full-time employees but instead contracts with the entities described below for professional services:

### Tax Assessor/Collector

Land and improvements in the District are being appraised for taxation by the Brazos Central Appraisal District. The District contracts with B&A Municipal Tax Service, LLC to act as Tax Assessor/Collector for the District.

### Bookkeeper

The District contracts with Municipal Accounts & Consulting, L.P. (the "Bookkeeper") for bookkeeping services for the District.

### Engineer

The consulting engineers for the District in connection with the design and construction of the District's facilities are EHRA Engineering and Schultz Engineering, LLC (collectively, the "Engineer").

### Auditor

The District retains an independent auditor to audit the District's financial statements annually, which if required by the Texas Water Code, are filed with the Commission. The financial statements of the District, as of May 31, 2025, and for the fiscal year then ended, included in this official statement, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's May 31, 2025 audited financial statements.

### Bond Counsel and General Counsel

Schwartz, Page & Harding, L.L.P. ("Bond Counsel") serves as bond counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Schwartz, Page & Harding, L.L.P. serves as general counsel to the District on matters other than the issuance of bonds.

### Disclosure Counsel

The District has engaged McCall, Parkhurst & Horton L.L.P. as disclosure counsel ("Disclosure Counsel"). The fees paid to Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

### Financial Advisor

Masterson Advisors LLC (the "Financial Advisor") serves as financial advisor to the District. The fee to be paid the Financial Advisor is contingent upon the sale and delivery of the Bonds.

## THE DEVELOPERS

**Role of a Developer**

In general, the activities of a landowner or developer in a district such as the District include designing the project, defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developer or third parties. A developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective purchasers of the Bonds should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate. No representation is made as to the relative success of any of the projects mentioned above, and no assurance as to the future performance of the Developer should be inferred. Prospective purchasers are urged to inspect the District in order to acquaint themselves with the nature of the Developer's business activities. See "RISK FACTORS – Dependence on Principal Taxpayers."

**The Developers**

Approximately 120 acres within the District is being developed as Midtown City Center by College Station Town Center, Inc., a Texas corporation ("CSTC"), which was formed for the sole purpose of developing its land in the District. Its only substantial asset consists of land in the District. James Murr is the President of CSTC and an owner of a portion of CSTC. Currently, CSTC owns approximately 78 acres of land within the District, all of which is served with trunk utilities and has no vertical improvements.

Approximately 172 acres of land within the District is being developed as Midtown Reserve for single family purposes by College Station Downtown Residential LLC ("CSDR"), a Texas limited liability company, which was formed for the sole purpose of developing its land in the District. Its only substantial asset consists of land in the District. James Murr is a director of DM-CSDR Inc., which is a member of CSDR. Currently, CSDR owns approximately 45 acres within the District, all of which is served with trunk utilities and has no vertical improvements.

**Acquisition and Development Financing**

To obtain land acquisition and development financing for the land it owns within the District, CSTC entered into a loan agreement with Crockett National Bank, which has been refinanced with a Loan from VeraBank, N.A. The Verabank loan has been paid off, and new development loan has been established with Pinnacle Bank, originally for $9,000,000, with a current balance of $5,000,000. CTSC is in compliance with the material terms of the loan.

CSTC has obtained financing for a portion of the development of the District through the Public Finance Authority of Wisconsin (the "PFA"). The PFA issued $13,444,354.58 (Value at Issuance) $23,890,000 (Value at Maturity) Tax-Exempt Revenue Anticipation Capital Appreciation Bonds (Midtown Project), Series 2025 (the "PFA Bonds"), which are secured in part by the sale and assignment of CSTC's right to receive proceeds from the sale of the Bonds and the future sale of unlimited tax bonds issued by the District. The District delivered a Letter of Representations and Certifications for Tax Purposes to the PFA with respect to the issuance of the PFA Bonds. According to CTSC, it is currently in compliance with all material representations and certifications made with respect to the PFA Bonds and has made the necessary certifications required by the Texas Attorney General ensuring the proceeds of the Bonds are being used for lawful purposes authorized under Texas law.

## THE ROADS

Bond proceeds will be used to finance a portion of the construction and paving of streets for and other road facilities to serve Midtown Reserve within the District.

All roadways are designed and constructed in accordance with the City and County standards, rules, and regulations. Upon completion of construction, the District will convey the road facilities to the City for operation and maintenance, as described in the Utility Agreement.

The roads within the District lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer and drainage facilities are located within the right-of-way. The right-of-way is also shared by streetlights, sidewalks, and franchise utilities (including power, gas, telephone, fiber, and cable).

## USE AND DISTRIBUTION OF BOND PROCEEDS

The estimated use and distribution of Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $2,216,148 is estimated for construction costs, $351,542 is estimated for non-construction costs, and $182,310 is estimated for issuance costs and fees. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued.

| | | |
|---|---|---|
| **CONSTRUCTION RELATED COSTS** | | |
| Road Construction Costs………………………………………………………… | $ | 2,261,149 |
| Less: Surplus Funds Applied | | (45,000) |
| **Total Construction Related Costs**………………………………………………….. | **$** | **2,216,149** |
| **NON-CONSTRUCTION COSTS** | | |
| Underwriter's Discount (estimated at 3%) ……………………………………… | $ | 82,500 |
| Capitalized Interest (estimated 12 months at 4.75%) …………………………… | | 144,375 |
| Developer Interest………………………………………………………………… | | 124,667 |
| **Total Non-Construction Related Costs**……………………………………………… | **$** | **351,542** |
| **ISSUANCE COSTS AND FEES** | | |
| Issuance Costs and Professional Fees…………………………………………… | $ | 179,559 |
| State Regulatory Fees…………………………………………………………… | | 2,750 |
| **Total Issuance Costs and Fees**………………………………………………………… | **$** | **182,309** |
| **TOTAL BOND ISSUE** | **$** | **2,750,000** |

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

**Future Debt**

The Developers have financed the cost of creation of the District and the land, engineering and construction costs of underground utilities and roads to serve the District, as well as certain other District improvements. After reimbursement from proceeds of the sale of the Bonds, the Developers will have expended approximately $15,000,000 (as of August 1, 2025) for design, construction and acquisition of water, sanitary sewer, and drainage facilities and roadways not yet reimbursed. It is anticipated that proceeds from future issues of District bonds will be used, in part, to reimburse the Developers for these costs to the extent allowed by the TCEQ, including payments to the City for the right to use additional capacity in the City's water supply and wastewater treatment facilities, if applicable. The District contains approximately 9 acres of developable land not presently served with water distribution, wastewater collection and storm drainage facilities or roads. It is anticipated that additional bonds will be issued to finance the construction of these facilities to serve this undeveloped acreage. The District can make no representation that any additional development will occur within the District. The Engineer has stated that the District's authorized but unissued bonds will be adequate, under present land use projections, to finance such improvements.

## UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

| Date of Authorization | Purpose | Amount Authorized | Issued to Date | Amount Unissued |
|---|---|---|---|---|
| 11/3/2015 | Roads | $ 106,600,000 | $ 13,650,000 (a) | $ 92,950,000 |
| 11/3/2015 | Roads Refunding | $ 106,600,000 | $ - | $ 106,600,000 |
| 11/3/2015 | Water, Sanitary Sewer, and Drainage Facilities | $ 71,400,000 | $ - | $ 71,400,000 |
| 11/3/2015 | Water, Sanitary Sewer, and Drainage Facilities Refunding | $ 71,400,000 | $ - | $ 71,400,000 |

**(a)** Includes the Bonds.

## FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

| | | |
|---|---|---|
| 2025 Taxable Assessed Valuation | $194,359,334 | (a) |
| Estimated Taxable Assessed Valuation as of August 1, 2025 | $225,026,066 | (b) |
| Gross Direct Debt Outstanding (the Bonds and the Outstanding Bonds) | $13,220,000 | |

Ratios of Gross Direct Debt to:

| | |
|---|---|
| 2025 Taxable Assessed Valuation | 6.80% |
| Estimated Taxable Assessed Valuation as of August 1, 2025 | 5.87% |

Area of District: Approximately 319 acres
Estimated 2025 Population: 2,100(c)

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(a) The 2025 Taxable Assessed Valuation shown herein includes $186,483,944 of certified value and $7,875,390 of uncertified value as of January 1, 2025. The uncertified value is subject to downward revision or adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Brazos Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."
(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable appraised value within the District on August 1, 2025. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAXING PROCEDURES."
(c) Based on 3.5 persons per occupied single-family residence and 2 persons per occupied multi-family residence.

**Cash and Investment Balances** (unaudited as of September 11, 2025)

| | | |
|---|---|---|
| Operating Fund | Cash and Temporary Investments | $79,626 |
| Road Debt Service Fund | Cash and Temporary Investments | $571,603 (a) |
| Road Capital Projects Fund | Cash and Temporary Investments | $46,727 (b) |

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(a) The District will capitalize twelve (12) months of interest on the Bonds, which will be deposited to the Road Bond Sub-Account within the District's Debt Service Fund. Neither Texas law nor the Bond Order requires the District to maintain any minimum balance in the Debt Service Funds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
(b) The District will contribute $45,000 of surplus Capital Projects funds to the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEDS."

**Investments of the District**

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield on its portfolio. Funds of the District will be invested in short term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third-party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate owning, long term securities or derivative products in the District's investment portfolio.

**Outstanding Bonds** (as of September 2, 2025)

| Series | Original Principal Amount | Outstanding Bonds 9/2/2025 |
|---|---|---|
| 2021 (a) | $ 2,500,000 | $ 2,240,000 |
| 2022 (a) | 2,500,000 | 2,375,000 |
| 2023 (a) | 1,750,000 | 1,705,000 |
| 2024 (a) | 1,600,000 | 1,600,000 |
| 2024A (a) | 2,550,000 | 2,550,000 |
| Total | $ 10,900,000 | $ 10,470,000 |

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(a) Unlimited tax road bonds.

## ESTIMATED OVERLAPPING DEBT STATEMENT

**Estimated Overlapping Debt**

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 information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas or other publicly available information. 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. 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 payment of their debt, and some are presently levying and collecting such taxes.

| Taxing Jurisdiction | Outstanding Bonds | As of | Overlapping Percent | Overlapping Amount |
|---|---|---|---|---|
| Brazos County…………………………………………… | $ 89,480,000 | 7/31/2025 | 0.50% | $ 447,400 |
| College Station ISD……………………………………… | 538,410,000 | 7/31/2025 | 1.02% | 5,491,782 |
| City of College Station…………………………………… | 413,745,000 | 7/31/2025 | 1.06% | 4,385,697 |
| Total Estimated Overlapping Debt…………………….. | | | | $ 10,324,879 |
| The District…………………………………………….. | 13,220,000 (a) | Current | 100.00% | 13,220,000 |
| Total Direct and Estimated Overlapping Debt………. | | | | $ 23,544,879 |

| | |
|---|---|
| Ratio of Estimated Direct and Overlapping Debt to 2025 Certified Taxable Assessed Valuation……………………… | 12.11% |
| Ratio of Estimated Direct and Overlapping Debt to Estimated Taxable Assessed Valuation as of August 1, 2025…… | 10.46% |

(a) Includes the Bonds and the Outstanding Bonds.

**Overlapping Taxes for 2024**

Property within the District is subject to taxation by several taxing authorities in addition to the District. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties and interest imposed on such property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with tax liens of taxing authorities shown below. In addition to ad valorem taxes required to pay debt service on bonded debt of the District and other taxing authorities, certain taxing jurisdictions, including the District, are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below are all of the taxes levied for the 2025 tax year by all taxing jurisdictions overlapping the District and the 2025 tax rate of the District. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

| | 2025 Tax Rate per $100 of Taxable Assessed Valuation |
|---|---|
| Brazos County…………………………………...………… | $ 0.419700 |
| College Station ISD………………………………………… | 0.975300 |
| City of College Station………………………………………… | 0.511872 |
| Total Overlapping Tax Rate………………………………… | $ 1.906872 |
| The District…………………………………………………… | 0.650000 |
| Total Tax Rate………………………………………………… | $ 2.556872 |

# TAX DATA

## Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds and the Outstanding Bonds. For tax year 2025, the District has levied a tax rate of $0.454 for debt service. The District levied a $0.454 per $100 debt service tax rate for the 2025 tax year. See "Tax Rate Distribution" and "Tax Roll Information" below, and "TAXING PROCEDURES."

## Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was held on November 3, 2015, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.00 per $100 assessed valuation for general operations and maintenance costs. The District levied a $0.196 maintenance and operations tax rate for 2025. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above.

## Tax Rate Distribution

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Debt Service | $ 0.454 | $ 0.454 | $ 0.320 | $ 0.380 | $ 0.330 |
| Maintenance and Operations | 0.196 | 0.196 | 0.180 | 0.120 | 0.170 |
| Total | $ 0.650 | $ 0.650 | $ 0.500 | $ 0.500 | $ 0.500 |

## Historical Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to such records for further and more complete information.

| Tax Year | Certified Taxable Assessed Valuation | Tax Rate | Total Tax Levy | Total Collections as of August 31, 2025 Amount | Percent |
|---|---|---|---|---|---|
| 2020 | $ 23,533,362 | $ 0.500 | $ 117,667 | $ 117,667 | 100.00% |
| 2021 | 43,391,211 | 0.500 | 216,956 | 216,956 | 100.00% |
| 2022 | 72,753,269 | 0.500 | 363,766 | 363,766 | 100.00% |
| 2023 | 128,633,276 | 0.500 | 643,166 | 641,340 | 99.72% |
| 2024 | 160,334,709 | 0.650 | 1,042,176 | 1,040,086 | 99.80% |

Taxes are due upon receipt of bill therefor and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. No split payments are allowed, and no discounts are allowed.

## Principal Taxpayers

The following table represents the principal taxpayers, the type of property, the certified taxable assessed value of such property and such property's certified assessed value as a percentage of the certified portion ($186,483,944) of the 2025 Taxable Assessed Valuation of $194,359,334, which represents ownership as of January 1, 2025. Accurate principal taxpayer lists related to the uncertified portion ($7,875,390) of the 2025 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of August 1, 2025 of $225,026,066 are not available from the Appraisal District as of the date hereof.

| Taxpayer | Type of Property | 2025 Certified Taxable Assessed Valuation | % of 2025 Certified Taxable Assessed Valuation |
|---|---|---|---|
| 950 TL Midtown LLC (a) | Land & Improvements | $ 33,887,289 | 18.17% |
| LOA Brazos NH LLC (b) | Land & Improvements | 8,293,198 | 4.45% |
| College Station Downtown Residential LLC (c) | Land | 4,564,642 | 2.45% |
| College Station Town Center Inc. (c) | Land | 4,043,700 | 2.17% |
| Midtown Adventures LLC | Land & Improvements | 2,657,554 | 1.43% |
| ARCP Holdings LP | Land & Improvements | 2,034,221 | 1.09% |
| Individual | Land & Improvements | 1,828,496 | 0.98% |
| Continental Homes of Texas LP | Land & Improvements | 1,683,673 | 0.90% |
| 4121 Midtown Office Park LLC | Land | 1,588,869 | 0.85% |
| SEC Brazos Investments LLC | Land & Improvements | 1,273,868 | 0.68% |
| Total | | $ 61,855,510 | 33.17% |

(a) Nine 50 Town Lake at Midtown apartment complex.
(b) Accel at College Station Transitional Care and Rehabilitation Center.
(c) See “THE DEVELOPERS.”

## Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate. See “TAXING PROCEDURES—Valuation of Property for Taxation”. The following represents the composition of certified property comprising the 2023 through 2025 Taxable Assessed Valuations. Differences in value from other information herein are due to differences in dates of information provided. Breakdowns of the uncertified portion of the 2025 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of August 1, 2025 are not available.

| | 2025 Certified Taxable Valuation | 2024 Certified Taxable Valuation | 2023 Certified Taxable Valuation |
|---|---|---|---|
| Land | $ 48,875,382 | $ 44,293,640 | $ 38,023,928 |
| Improvements | 148,415,608 | 120,005,338 | 93,808,503 |
| Personal Property | 738,645 | 141,635 | 140,373 |
| Exemptions | (11,545,691) | (6,948,321) | (3,375,748) |
| Total Certified | $ 186,483,944 | $ 157,492,292 | $ 128,597,056 |
| Uncertified Value | 7,875,390 | - | - |
| Total | $ 194,359,334 | $ 157,492,292 | $ 128,597,056 |

**Tax Adequacy for Debt Service**

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation which would be required to meet average annual and maximum debt service requirements if no growth in the District's tax base occurred beyond the 2025 Taxable Assessed Valuation of $194,359,334 and the Estimated Taxable Assessed Valuation as of August 1, 2025 of $225,026,066. The calculations contained in the following table merely represent the tax rates required to pay principal and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable assessed values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service.

| | |
|---|---|
| Average Annual Debt Service Requirement (2026-2050) | $844,866 |
| $0.46 Tax Rate on 2025 Taxable Assessed Valuation at 95% collections | $849,350 |
| $0.40 Tax Rate on Estimated Taxable Assessed Valuation as of August 1, 2025 at 95% collections | $855,099 |
| Maximum Annual Debt Service Requirement (2027) | $946,063 |
| $0.52 Tax Rate on 2025 Taxable Assessed Valuation at 95% collections | $960,135 |
| $0.45 Tax Rate on Estimated Taxable Assessed Valuation as of August 1, 2025 at 95% collections | $961,986 |

No representations or suggestions are made that the uncertified portion of the 2025 Taxable Assessed Valuation will not be adjusted downward or that the Estimated Taxable Assessed Valuation as of August 1, 2025, provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

## TAXING PROCEDURES

**Property Tax Code and County-Wide Appraisal District**

The Texas Tax Code (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 a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Brazos Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within Brazos County, including the District. Such appraisal values are subject to review and change by the Brazos County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a petition for 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within Brazos County, to participate in the nomination of and vote for a member of the Board of Directors of the Appraisal District.

**Property Subject to Taxation by the District**

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2025 tax year, the District has not granted any such exemptions. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of a member of the armed forces or a first responder (as defined under Texas law), who was (i) killed in action, or (ii) fatally injured in the line of duty, is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not exercised its option to tax goods-in-transit personal property but may choose to do so in the future.

**General Residential Homestead Exemption**

Texas law authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that 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. For the 2025 tax year, the District has not granted a general residential homestead exemption.

**Valuation of Property for Taxation**

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

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

## District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See “TAXING PROCEDURES—Rollback of Operations and Maintenance Tax Rate.” The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

## Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2025, approximately 69 acres of land within the District was designated for agricultural use, open space, inventory deferment, or timberland.

## Tax Abatement

The City and Brazos County may designate all or part of the District as a reinvestment zone, and the District, Brazos County, and the City may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by 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 a comprehensive plan. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

## Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty 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. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Texas Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law, is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

## Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." 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. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate.

*Low Tax Rate Districts*

Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead 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 Low Tax Rate District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

*Developed Districts*

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

*Developing Districts*

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

*The District*

A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. 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. For the 2025 tax year, the District was designated as a Developing District.

## District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, 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, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units. See "ESTIMATED OVERLAPPING DEBT STATEMENT." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, 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, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "RISK FACTORS—Tax Collection Limitations."

## GENERAL FUND

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. The City operates the water and sewer system that serves the District, so the District collects no net revenues from operating the system. Such summary is based upon information obtained from the District's audited financial statements for fiscal years May 31, 2021 through 2025. Such figures are included for informational purposes only. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. See "RISK FACTORS—Operating Funds." Reference is made to "APPENDIX A" for further and complete information.

| | Fiscal Year Ended May 31 | | | | |
|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| **Revenues** | | | | | |
| Property Taxes | $ 317,534 | $ 228,004 | $ 85,613 | $ 73,108 | $ 116,829 |
| Penalty and Interest | - | - | - | - | 1,738 |
| Investment Income | 2,937 | 888 | - | - | 66 |
| Other Income | - | 9 | - | - | - |
| **Total Revenues** | $ 320,471 | $ 228,901 | $ 85,613 | $ 73,108 | $ 118,633 |
| **Expenditures** | | | | | |
| Professional Fees | $ 121,212 | $ 96,099 | $ 116,642 | $ 86,214 | $ 94,471 |
| Contracted Services | 27,484 | 30,885 | 26,967 | 26,452 | 23,538 |
| Repairs and Maintenance | 93,361 | 95,660 | 87,212 | 8,084 | - |
| Other Expenditures | 19,120 | 18,710 | 14,332 | 11,489 | 13,843 |
| Debt Issuance Costs | 509 | - | 20,333 | - | - |
| **Total Expenditures** | $ 261,686 | $ 241,354 | $ 265,486 | $ 132,239 | $ 131,852 |
| **Revenues Over (Under) Expenditures** | $ 58,785 | $ (12,453) | $ (179,873) | $ (59,131) | $ (13,219) |
| **Other Sources (Uses)** | | | | | |
| Developer Advances | $ - | $ 110,000 | $ 173,000 | $ - | $ 50,033 |
| Interfund Transfer | - | 20,333 | - | (27,952) | - |
| **Fund Balance (Beginning of Year)** | $ 94,564 | $ (23,316) | $ (16,443) | $ 70,640 | $ 33,826 |
| **Fund Balance (End of Year)** | $ 153,349 | $ 94,564 | $ (23,316) | $ (16,443) | $ 70,640 |

## DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements for the Outstanding Bonds plus the estimated debt service requirements for the Bonds at an assumed interest rate of 5.00%. This schedule does not reflect the fact that an amount equal to twelve months of interest will be capitalized from Bond proceeds to pay debt service on the Bonds.

| Year | Outstanding Bonds Debt Service Requirements | Plus: Debt Service on the Bonds Principal | Interest | Total | Total Debt Service Requirements |
|---|---|---|---|---|---|
| 2026 | $ 719,683 | | $ 99,306 | $ 99,306 | $ 818,988 |
| 2027 | 718,563 | $ 90,000 | 137,500 | 227,500 | 946,063 |
| 2028 | 706,813 | 90,000 | 133,000 | 223,000 | 929,813 |
| 2029 | 699,643 | 95,000 | 128,500 | 223,500 | 923,143 |
| 2030 | 698,603 | 95,000 | 123,750 | 218,750 | 917,353 |
| 2031 | 692,843 | 100,000 | 119,000 | 219,000 | 911,843 |
| 2032 | 683,013 | 100,000 | 114,000 | 214,000 | 897,013 |
| 2033 | 689,088 | 100,000 | 109,000 | 209,000 | 898,088 |
| 2034 | 675,063 | 105,000 | 104,000 | 209,000 | 884,063 |
| 2035 | 675,938 | 105,000 | 98,750 | 203,750 | 879,688 |
| 2036 | 666,350 | 110,000 | 93,500 | 203,500 | 869,850 |
| 2037 | 656,306 | 110,000 | 88,000 | 198,000 | 854,306 |
| 2038 | 646,131 | 115,000 | 82,500 | 197,500 | 843,631 |
| 2039 | 650,756 | 115,000 | 76,750 | 191,750 | 842,506 |
| 2040 | 639,650 | 115,000 | 71,000 | 186,000 | 825,650 |
| 2041 | 643,413 | 120,000 | 65,250 | 185,250 | 828,663 |
| 2042 | 631,144 | 120,000 | 59,250 | 179,250 | 810,394 |
| 2043 | 628,738 | 125,000 | 53,250 | 178,250 | 806,988 |
| 2044 | 625,700 | 125,000 | 47,000 | 172,000 | 797,700 |
| 2045 | 622,006 | 130,000 | 40,750 | 170,750 | 792,756 |
| 2046 | 627,769 | 130,000 | 34,250 | 164,250 | 792,019 |
| 2047 | 617,263 | 135,000 | 27,750 | 162,750 | 780,013 |
| 2048 | 611,294 | 135,000 | 21,000 | 156,000 | 767,294 |
| 2049 | 604,763 | 140,000 | 14,250 | 154,250 | 759,013 |
| 2050 | 592,563 | 145,000 | 7,250 | 152,250 | 744,813 |
| Total | $ 16,423,089 | $ 2,750,000 | $ 1,948,556 | $ 4,698,556 | $ 21,121,644 |

Maximum Annual Debt Service Requirement (2027) ............................................................$946,063
Average Annual Debt Service Requirements (2026-2050) ....................................................$844,866

## RISK FACTORS

### General

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Brazos County, the City of College Station, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the District in an amount sufficient to service the District's bonded debt or, in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District. See "THE BONDS—Source and Security of Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners (as hereinafter defined) 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 taxable property within the District will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "Registered Owners' Remedies" below.

### Undeveloped Acreage and Vacant Lots

There are approximately 64 acres of commercial and multi-family reserves served with trunk utilities where vertical improvements have not been constructed and approximately 9 acres of undeveloped but developable land within the District as of August 1, 2025. There are currently 78 vacant developed lots available for home construction owned by CSDR. The District makes no representation as to when or if development of this acreage will occur or that the lot sales and building program will be successful. Failure of the Developers to develop the developable land or of builders to construct homes in the developed lots could restrict the rate of growth of taxable values in the District. See "THE DISTRICT—Land Use."

### Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the Developers or homebuilders in the District to estimate costs. The federal administration's immigration policies may additionally impact the State's workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the Developer's ability to construct utility and road facilities and homebuilders' ability to construct homes within the District. Decreased levels of construction activity could tend to restrict the growth of property values in the District or could adversely impact existing values. 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.

### Dependence on Principal Taxpayers

Based upon the certified 2025 tax rolls, the top ten taxpayers are responsible for approximately 33.17% of the District's 2025 taxes (levied on $186,483,944 in taxable property value). The principal taxpayer in the District is 950 TL Midtown LLC, the owner of the Nine 50 Town Lake at Midtown apartment complex, who is responsible for approximately 18.17% of the District's 2025 taxes. The second largest taxpayer is LOA Brazos NH LLC, the owner of Accel at College Station, a transitional care and rehabilitation center, who is responsible for approximately 4.45% of the District's 2025 taxes. The third and fourth largest taxpayers in the District are the Developers, which are responsible for approximately 2.45% and 2.17%, respectively, of the District's 2025 taxes. See "THE DISTRICT - Status of Development," "THE DEVELOPERS," and "TAX DATA - Principal Taxpayers." The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the District will directly affect the District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy additional taxes or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Order, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds on a current basis.

## Specific Flood Type Risks

The District is subject to the following flood type risks: 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 man made drainage systems (canals or channels) downstream.

## Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences, commercial and multi-family development, undeveloped land and developed lots. The market value of such properties is related to general economic conditions affecting the demand for residences. Demand for residential lots of this type and the construction of homes thereon and the demand for commercial tracts of land can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values. See “Credit and Liquidity in the Financial Markets” below and “THE DISTRICT—Status of Development.”

## Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on construction activity, particularly short-term interest rates at which landowners are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 5 miles south of the central business district of the City, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the City and regional economies and national credit and financial markets. A downturn in the economic conditions in the College Station area, including Texas A&M University, or a decline in the nation’s real estate and financial markets could adversely affect development in the District and restrain the growth of or reduce the value of the District’s property tax base.

## Developers Obligation to the District

There are no commitments from or obligations of the Developers or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of improvements in the District, and there is no restriction on any landowner’s right to sell its land. Failure to construct taxable improvements on developed tracts of land could restrict the rate of growth of taxable values in the District. The District cannot and does not make any representations that over the life of the Bonds the District will increase or maintain its taxable value.

## Competition

The demand for and construction of single-family homes and commercial and multi-family improvements in the District could be affected by competition from other developments including other developments located in College Station. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developers in the sale of developed lots and commercial tracts and of prospective builders in the construction of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

## Maximum Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2025 Taxable Assessed Valuation is $194,359,334, and the Estimated Taxable Assessed Valuation as of August 1, 2025, is $225,026,066. After issuance of the Bonds, the maximum annual debt service requirement will be $946,063 (2027), and the average annual debt service requirement will be $844,866 (2026-2050, inclusive). Assuming no increase or decrease from the 2025 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of August 1, 2025, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.52 and $0.45, respectively, based on the 2025 Taxable Assessed Valuation and $0.46 and $0.40, respectively, based on the Estimated Taxable Assessed Valuation as of August 1, 2025, per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay both the maximum annual debt service requirement and the average annual debt service requirements. See “DEBT SERVICE REQUIREMENTS.”

No representations or suggestions are made that the estimated values of land and improvements provided by the Appraisal District as of August 1, 2025 for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

**Future Debt**

The District reserves in the Bond Order the right to issue the remaining $92,950,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing road facilities and $106,600,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds, $71,400,000 principal amount of unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and $71,400,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds. The District may issue additional bonds which may be voted hereafter. After reimbursement from the proceeds of the sale of the Bonds, the Developers will have expended approximately $15,000,000 (as of August 1, 2025) for design, construction and acquisition of water, sanitary sewer, and drainage facilities and road facilities not yet reimbursed. See "THE BONDS-Issuance of Additional Debt." The issuance of such obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities must be approved by the Texas Commission on Environmental Quality (the "Commission").

**Environmental and Air Quality 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 Brazos County. Under the Clean Air Act ("CAA") Amendments of 1990, Brazos County has been designated an attainment/unclassifiable area under three separate federal ozone standards: the one- hour (124 parts per billion ("ppb")) and eight hour (84 ppb) standards promulgated by the EPA in 1997 (the "1997 Ozone Standards"); the tighter, 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").

Although Brazos County is currently in attainment, Brazos County has been and continues to be near the non-attainment thresholds for ozone. Accordingly, it is possible that Brazos County could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could negatively impact business due to 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 Brazos County to maintain attainment with the ozone standards. Such additional controls could have a negative impact on Brazos County's economic growth and development.

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

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 its General Permit for Phase II (Small) Municipal 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 not currently 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 certain special 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 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.

**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 state and local 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 procedure against a taxpayer, or (c) market conditions limiting the proceeds from a foreclosure sale of taxable 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. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES—District's Rights in the Event of Tax Delinquencies."

**Certain Tax Exemptions Provided for Affordable Housing**

A significant portion of the District's tax base is comprised of multi-family development. Certain multi-family housing may be exempt from ad valorem taxation by the District pursuant to Chapter 303 of the Texas Local Government Code (the "PFC Act"), Chapter 392 of the Texas Local Government Code (the "Housing Authority Act"), or Chapter 394 of the Texas Local Government Code (the "HFC Act"), if certain conditions are met.

The PFC Act authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities. Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. A PFC project approved on or after June 18, 2023, does not quality for an exemption with respect to taxes imposed by a conservation and reclamation district providing water, sewer, or drainage services to the development, unless an agreement is entered into with the district concerning payments in lieu of taxation. Projects for which PFC or Sponsor approval was received prior to the effective date of H.B. 2071 are governed by the prior law and are not subject to the same requirements. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

The HFC Act provides for the formation of housing finance corporations ("HFCs") by municipalities and counties for the purpose of providing decent, safe, and sanitary housing at affordable prices to residents of local governments. Public property owned by an HFC, including property for which an HFC holds an equitable interest, is exempt from taxes imposed by the state or any political subdivision of the state, including conservation and reclamation districts such as the District, provided certain conditions are met under the HFC Act. This exemption applies to both ad valorem and sales taxes levied by taxing authorities where the qualified project is located. Section 394.904(d) (as added by H.B. 21, 89th Texas Legislature, Regular Session) provides in part that, for property acquired by an HFC after May 28, 2025, such ad valorem tax exemptions do not apply to taxes levied by a conservation or reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that provides water, sewer, or drainage service to the multifamily residential development owned by the HFC, unless the applicable HFC has entered into a written agreement with the district to make a payment to the district in lieu of taxation, in the amount specified in the agreement. Further, property acquired by an HFC prior to May 28, 2025, may become subject to taxation by a conservation and reclamation district in future tax years unless certain additional requirements are met under the HFC Act. The District is not aware of any public property located within the boundaries of the District that is owned by an HFC.

The Housing Authority Act authorizes cities and counties to create housing authorities to provide safe and sanitary housing for persons of low income within the area of operation of the housing authority. Multi-family property owned by a housing authority, including property for which a housing authority holds an equitable interest, is exempt from all taxes and special assessments of a city, county, the state, or another political subdivision, including conservation and reclamation districts such as the District, if certain conditions are met under the Housing Authority Act. The District is not aware of any public property located within the boundaries of the District that is owned by a housing authority.

**Registered Owners' Remedies**

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Beneficial Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Beneficial 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. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Beneficial Owners.

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

**Bankruptcy Limitation to Registered Owners' Rights**

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (1) is authorized to file for federal bankruptcy protection by Texas 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 negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must also obtain the approval of the Commission prior to filing bankruptcy. Such law requires that the Commission investigate the financial conditions of the District and authorize the District to proceed only if the 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, the 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 making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owner could potentially and adversely impair the value of the Registered Owner's claim.

If the District decides in the future to proceed voluntarily under the federal Bankruptcy Code, the District could develop and file a plan for the adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect the Registered Owners by reducing or eliminating the interest rate or the principal amount, 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 such Registered Owner's claim against the District.

A district may not be forced into bankruptcy involuntarily.

**Continuing Compliance with Certain Covenants**

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

**Marketability**

The District has no agreement with the Underwriter 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 generally bought, sold or traded in the secondary market.

**Risk Factors Related to the Purchase of Municipal Bond Insurance**

The District has applied for a bond insurance policy (the “Policy”) to guarantee the scheduled payment of principal and interest on the Bonds. If the Policy is issued, investors should be aware of the following investment considerations:

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer (the “Insurer”) and its claim 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 description of “MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE.”

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 nor the Underwriter 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 and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See “MUNICIPAL BOND RATING AND 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.

**Future and Proposed Legislation**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## LEGAL MATTERS

**Legal Opinions**

The District will furnish to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the 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 and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See “Tax Exemption” below. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Bond Counsel's opinion will also address the matters described below.

In addition to serving as Bond Counsel, Schwartz, Page & Harding, L.L.P., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel.

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

## Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS," "THE DISTRICT—General," "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF COLLEGE STATION," "MANAGEMENT OF THE DISTRICT—Bond Counsel and General Counsel," "TAXING PROCEDURES," and "LEGAL MATTERS" solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

## Tax Exemption

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

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

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

## Qualified Tax-Exempt Obligations

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the aforementioned dollar limitation and the Bonds would not be "qualified tax-exempt obligations."

**Collateral Federal Income Tax Consequences**

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health-insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC 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.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under Section 56A of the Code to calculate the alternative minimum tax imposed by Section 55 of the Code.

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

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

**State, Local and Foreign Taxes**

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

**Tax Accounting Treatment of Original Issue Discount and Premium Bonds**

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

Under Existing Law, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. See "Tax Exemption" herein for a discussion of certain collateral federal tax consequences.

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

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

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. ALL OWNERS OF ORIGINAL ISSUE DISCOUNT BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION FOR FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES OF INTEREST ACCRUED UPON REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds may be greater than the amount payable on such Bonds at maturity (the “Premium Bonds”). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

## REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified 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; and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction.

The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

## NO MATERIAL ADVERSE CHANGE

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

## NO LITIGATION CERTIFICATE

With the delivery of the Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the Underwriter a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

## MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE

The District has not applied for an underlying rating nor is it expected that the District would have received an investment grade rating had such application been made.

Application has also been made to various municipal bond insurance companies for qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter and at the Underwriter's expense. See "RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance."

## SALE AND DISTRIBUTION OF THE BONDS

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was rendered by ____________________________________________(the "Underwriter") bearing the interest rates shown on the cover page of this Official Statement, at a price of ______________________% of the principal amount thereof which resulted in a net effective interest rate of ______________________% as calculated pursuant to Chapter 1204, Texas Government Code (the "IBA" method).

The prices and other terms with respect to the offering and the sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over-allocate 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 municipal utility district 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, which are more generally bought, sold or traded in the secondary market.

## PREPARATION OF OFFICIAL STATEMENT

**Sources and Compilation of Information**

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developers, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources believed to be reliable. No guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and the inclusion herein of information from sources other than the District is not to be construed as a representation on the part of the District to such effect, except as described below under "CERTIFICATION OF OFFICIAL STATEMENT." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

**Financial Advisor**

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the OFFICIAL STATEMENT, including the OFFICIAL NOTICE OF SALE and the OFFICIAL BID FORM for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this OFFICIAL STATEMENT. The Financial Advisor has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

**Consultants**

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

*Engineer*: The information contained in this Official Statement relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT" and "THE ROADS" (as it relates to District facilities) has been provided by EHRA Engineering and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

*Appraisal District*: The information contained in this Official Statement relating to the Assessed Valuations of the District has been provided by the Brazos Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Brazos County, including the District.

*Tax Assessor Collector*: The information contained in this Official Statement relating to the historical breakdown of the Certified Taxable Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by B&A Municipal Tax Service, LLC and is included herein in reliance upon B&A Municipal Tax Service, LLC as an expert in collecting taxes.

*Auditor*: The financial statements of the District as of May 31, 2025 and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See “APPENDIX A.”

## UPDATING OF OFFICIAL STATEMENT

For the period beginning on the date of the award of the sale of the Bonds to the Underwriter and ending on the ninety-first (91st) day after the “end of the underwriting period,” (as defined in Rule 15c(2)-12(f)(2) of the United States Securities and Exchange Commission (the “SEC”)), if any event shall occur of which the District has knowledge and asa result of which it is necessary to amend or supplement this Official Statement in order to make the statements herein, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, not materially misleading, the District will promptly notify the Underwriter of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements hereto, so that the statements in this Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, be materially misleading. The District assumes no responsibility for supplementing this Official Statement thereafter.

## CERTIFICATION OF OFFICIAL STATEMENT

The District, acting through its Board in its official capacity and in reliance upon the experts listed above, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

## CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the “MSRB”).

### Annual Reports

The District will provide annually to the MSRB certain updated financial information and operating data. The information to be updated includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED,” “GENERAL FUND,” “DEBT SERVICE REQUIREMENTS,” “TAX DATA,” (most of which information is contained in the District’s annual audited financial statements) and in “APPENDIX A.” The District will update and provide this information within six (6) months after the end of each fiscal year ending in or after 2026.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if 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, then the District will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

## Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, 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 a financial obligation of the obligated person, any of which reflect financial difficulties. The terms "financial obligation" and "material" when used in this paragraph shall have the meanings ascribed to them under federal securities laws.

Neither the Bonds nor the Bond Order 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 from the MSRB

The District has agreed to provide the foregoing information only to the MSRB. Investors can 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 specified 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 the Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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, 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 SEC Rule 15c2-12, taking into account any amendments and interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as changed circumstances, and either the Holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the District (such as a 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 SEC Rule 15c2-12 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 Underwriter 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 reason 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

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

## MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendix hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

This Official Statement was approved by the Board of Directors of Rock Prairie Management District No. 2, as of the date shown on the cover page.

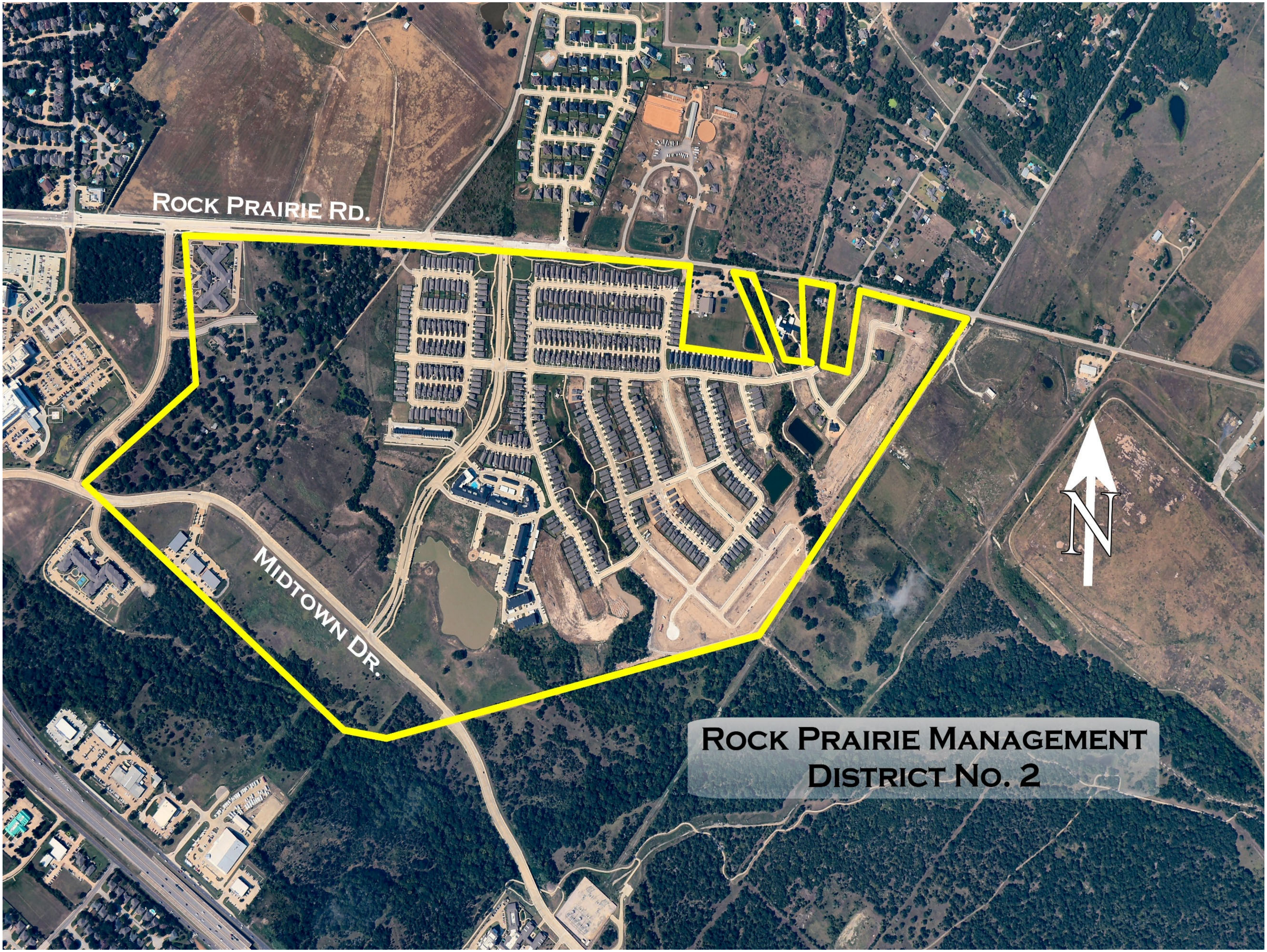
/s/________________________________________
President, Board of Directors

ATTEST:

/s/________________________________________
Secretary, Board of Directors

## AERIAL PHOTO

**(Approximate boundaries as of September 2025)**


Rock Prairie Rd.
Midtown Dr.
N
Rock Prairie Management
District No. 2

## PHOTOGRAPHS

**(Taken September 2025)**


AVAILABLE
979-279-8837


AVAILABLE
979-279-8837


NINE 50
FIRE LANE


Southern Smiles DENTISTRY
ADDITIONAL PARKING & ENTRANCE
TOW AWAY ZONE

# APPENDIX A

**Independent Auditor's Report and Financial Statements for the fiscal year ended May 31, 2025**

# Rock Prairie Management District No. 2
## Brazos County, Texas

### Independent Auditor's Report, Financial Statements, and Supplementary Information

May 31, 2025

**Rock Prairie Management District No. 2**
**Contents**
**May 31, 2025**

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Forvis Mazars, LLP
2700 Post Oak Boulevard, Suite 1500
Houston, TX 77056
P 713.499.4600 | F 713.499.4699
forvismazars.us

# Independent Auditor's Report

Board of Directors
Rock Prairie Management District No. 2
Brazos County, Texas

## *Opinions*

We have audited the financial statements of the governmental activities and each major fund of Rock Prairie Management District No. 2 (District), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of May 31, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 these 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 12 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 GAAS 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 GAAS, we:

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

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule, as listed in the table of contents, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

**Houston, Texas**
**October 9, 2025**

## *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, sanitary sewer, and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

## *Government-Wide Financial Statements*

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position, and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

## *Fund Financial Statements*

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

***Governmental Funds***

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time but do not include capital assets such as land and water, sewer, and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

## *Notes to Financial Statements*

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

## *Financial Analysis of the District as a Whole*

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

**Summary of Net Position**

| | 2025 | 2024 |
|---|---|---|
| Current and other assets | $ 1,278,452 | $ 814,145 |
| Capital assets | 595,072 | 595,072 |
| Total assets | $ 1,873,524 | $ 1,409,217 |
| Long-term liabilities | $ 25,036,823 | $ 22,947,659 |
| Other liabilities | 185,532 | 100,955 |
| Total liabilities | 25,222,355 | 23,048,614 |
| Net position | | |
| Net investment in capital assets | (2,020,304) | (1,894,359) |
| Restricted | 769,998 | 471,577 |
| Unrestricted | (22,098,525) | (20,216,615) |
| Total net position | $ (23,348,831) | $ (21,639,397) |

The total net position of the District decreased by $1,709,434, or about 8%. The majority of the decrease in net position is related to the conveyance of capital assets to another governmental entity for maintenance. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Changes in Net Position**

| | 2025 | 2024 |
|---|---|---|
| Revenues | | |
| Property taxes | $ 1,042,102 | $ 643,173 |
| Other revenues | 40,605 | 32,445 |
| Total revenues | 1,082,707 | 675,618 |
| Expenses | | |
| Services | 298,151 | 267,512 |
| Conveyance of capital assets | 1,937,400 | 4,008,066 |
| Debt service | 556,590 | 499,136 |
| Total expenses | 2,792,141 | 4,774,714 |
| Change in net position | (1,709,434) | (4,099,096) |
| Net position, beginning of year | (21,639,397) | (17,540,301) |
| Net position, end of year | $ (23,348,831) | $ (21,639,397) |

## *Financial Analysis of the District's Funds*

The District's combined fund balances as of the end of the fiscal year ended May 31, 2025 were $1,222,636, an increase of $462,982 from the prior year.

The general fund's fund balance increased by $58,785 primarily due to property tax revenues exceeding service operations expenditures.

The debt service fund's fund balance increased by $407,606 due to property tax revenues and proceeds received from the sale of the Series 2024A road bonds exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by $3,409 due to capital outlay expenditures and debt issuance costs exceeding the net proceeds received from the sale of the Series 2024A road bonds.

## *General Fund Budgetary Highlights*

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues being greater than anticipated and repairs and maintenance expenditures being less than anticipated. In addition, budgeted developer advances were not received. The fund balance as of May 31, 2025 was expected to be $94,564, and the actual end-of-year fund balance was $153,349.

## *Capital Assets and Related Debt*

### *Capital Assets*

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

**Capital Assets**

| | 2025 | 2024 |
|---|---|---|
| Land and improvements | $ 595,072 | $ 595,072 |

During the current year, there were no additions to capital assets.

Developers within the District have constructed facilities on behalf of the District under the terms of the contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission, if required. As of May 31, 2025, a liability for developer constructed capital assets of $14,154,734 was recorded in the government-wide financial statements.

Since inception, a developer has advanced $527,800 to the District for operations. These advances have been recorded as liabilities in the government-wide financial statements.

### *Debt*

The changes in the debt position of the District during the fiscal year ended May 31, 2025 are summarized as follows:

| | |
|---|---|
| Long-term debt payable, beginning of year | $ 22,947,659 |
| Increases in long-term debt | 4,381,055 |
| Decreases in long-term debt | (2,291,891) |
| Long-term debt payable, end of year | $ 25,036,823 |

At May 31, 2025, the District had $71,400,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District; and $95,700,000 of unlimited tax bonds authorized, but unissued, for the purpose of constructing road and paving facilities.

The District's bonds do not carry an underlying rating. The Series 2022, Series 2023, and Series 2024A road bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2024 road bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty, Inc.

## *Other Relevant Factors*

### *Relationship to the City of College Station*

Under existing Texas law, since the District lies wholly within the corporate boundaries of the City of College Station (City), the District must conform to the City ordinance consenting to the creation of the District. The District and the City entered into that certain Utility and Road Agreement dated February 17, 2015 (Utility Agreement), which provides the terms for the provision of water, sewer, drainage, and road facilities (Facilities) within the District. Pursuant to the Agreement, the Facilities are to be constructed by the developers and, with the exception of storm water detention and recreational facilities, subsequently conveyed to the City for operation. Water and sewer service to the District is provided by the City. The City has agreed to provide the District with its ultimate requirements for water supply and wastewater treatment capacity without capital charges of any kind. Under the Utility Agreement, the District is authorized to issue bonds to finance the construction and acquisition of the Facilities and must obtain City consent for the same, which shall be granted to the extent such issuances comply with the City's terms of consent to the creation of the District. Lastly, the Utility Agreement restricts the City's ability to dissolve the District, which may not occur until the termination or expiration of that certain Infrastructure and Economic Development Agreement between the City and College Station Town Center, Inc., effective July 10, 2015, as partially assigned to the District and College Station Downtown Residential, LLC. The City has agreed to afford the District the opportunity to discharge any remaining obligations under any existing reimbursement agreement with a developer in the District by authorizing the sale of bonds during a dissolution transition period or selling bonds of the City in an amount adequate to discharge the District's obligations.

### *Contingencies*

Developers of the District are constructing water, sewer, drainage, and road facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, if required. The District's engineer has stated that current construction contract amounts are approximately $3,970,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

# Rock Prairie Management District No. 2
# Statement of Net Position and Governmental Funds Balance Sheet
# May 31, 2025

| | General Fund | Debt Service Fund | Capital Projects Fund | Total | Adjustments | Statement of Net Position |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 10,850 | $ 98,130 | $ - | $ 108,980 | $ - | $ 108,980 |
| Short-term investments | 192,685 | 919,450 | 46,416 | 1,158,551 | - | 1,158,551 |
| Property taxes receivable | 3,404 | 7,517 | - | 10,921 | - | 10,921 |
| Interfund receivables | - | 5,291 | - | 5,291 | (5,291) | - |
| Capital assets, land and improvements | - | - | - | - | 595,072 | 595,072 |
| **Total Assets** | $ 206,939 | $ 1,030,388 | $ 46,416 | $ 1,283,743 | $ 589,781 | $ 1,873,524 |
| **Liabilities** | | | | | | |
| Accounts payable | $ 44,895 | $ - | $ - | $ 44,895 | $ - | $ 44,895 |
| Accrued interest payable | - | - | - | - | 140,637 | 140,637 |
| Interfund payables | 5,291 | - | - | 5,291 | (5,291) | - |
| Long-term liabilities | | | | | | |
| Due within one year | - | - | - | - | 175,000 | 175,000 |
| Due after one year | - | - | - | - | 24,861,823 | 24,861,823 |
| **Total Liabilities** | 50,186 | - | - | 50,186 | 25,172,169 | 25,222,355 |
| **Deferred Inflows of Resources** | | | | | | |
| Deferred property tax revenues | 3,404 | 7,517 | - | 10,921 | (10,921) | - |
| **Fund Balances/Net Position** | | | | | | |
| Fund balances | | | | | | |
| Restricted | | | | | | |
| Unlimited tax road bonds | - | 1,022,871 | - | 1,022,871 | (1,022,871) | - |
| Roads | - | - | 46,416 | 46,416 | (46,416) | - |
| Unassigned | 153,349 | - | - | 153,349 | (153,349) | - |
| **Total Fund Balances** | 153,349 | 1,022,871 | 46,416 | 1,222,636 | (1,222,636) | - |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 206,939 | $ 1,030,388 | $ 46,416 | $ 1,283,743 | | |
| Net position | | | | | | |
| Net investment in capital assets | | | | | (2,020,304) | (2,020,304) |
| Restricted for debt service | | | | | 764,342 | 764,342 |
| Restricted for capital projects | | | | | 5,656 | 5,656 |
| Unrestricted | | | | | (22,098,525) | (22,098,525) |
| Total net position | | | | | $ (23,348,831) | $ (23,348,831) |

# Rock Prairie Management District No. 2
# Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
# Year Ended May 31, 2025

| | General Fund | Debt Service Fund | Capital Projects Fund | Total | Adjustments | Statement of Activities |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Property taxes | $ 317,534 | $ 732,750 | $ - | $ 1,050,284 | $ (8,182) | $ 1,042,102 |
| Penalty and interest | - | 8,560 | - | 8,560 | (2,660) | 5,900 |
| Investment income | 2,937 | 28,563 | 3,205 | 34,705 | - | 34,705 |
| **Total Revenues** | 320,471 | 769,873 | 3,205 | 1,093,549 | (10,842) | 1,082,707 |
| **Expenditures/Expenses** | | | | | | |
| Service operations | | | | | | |
| Professional fees | 121,212 | 2,116 | - | 123,328 | 6,337 | 129,665 |
| Contracted services | 27,484 | 21,598 | - | 49,082 | 710 | 49,792 |
| Repairs and maintenance | 93,361 | - | - | 93,361 | - | 93,361 |
| Other expenditures | 19,120 | 6,213 | - | 25,333 | - | 25,333 |
| Capital outlay | - | - | 2,207,390 | 2,207,390 | (2,207,390) | - |
| Conveyance of capital assets | - | - | - | - | 1,937,400 | 1,937,400 |
| Debt service | | | | | | |
| Principal retirement | - | 125,000 | - | 125,000 | (125,000) | - |
| Interest and fees | - | 317,765 | - | 317,765 | 75,975 | 393,740 |
| Debt issuance costs | 509 | - | 162,341 | 162,850 | - | 162,850 |
| **Total Expenditures/Expenses** | 261,686 | 472,692 | 2,369,731 | 3,104,109 | (311,968) | 2,792,141 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 58,785 | 297,181 | (2,366,526) | (2,010,560) | 301,126 | |
| **Other Financing Sources (Uses)** | | | | | | |
| General obligation bonds issued | - | 110,425 | 2,439,575 | 2,550,000 | (2,550,000) | |
| Discount on debt issued | - | - | (76,458) | (76,458) | 76,458 | |
| **Total Other Financing Sources** | - | 110,425 | 2,363,117 | 2,473,542 | (2,473,542) | |
| **Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | 58,785 | 407,606 | (3,409) | 462,982 | (462,982) | |
| **Change in Net Position** | | | | | (1,709,434) | (1,709,434) |
| **Fund Balances (Deficit)/Net Position** | | | | | | |
| Beginning of year | 94,564 | 615,265 | 49,825 | 759,654 | - | (21,639,397) |
| End of year | $ 153,349 | $ 1,022,871 | $ 46,416 | $ 1,222,636 | $ - | $ (23,348,831) |

## Note 1. Nature of Operations and Summary of Significant Accounting Policies

Rock Prairie Management District No. 2 (District) was created pursuant to Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution by an Act of the 83rd Legislature of the State of Texas, effective June 14, 2013, codified as Chapter 3909, Texas Special District Local Laws Code (Act). The District operates in accordance with Chapter 375 of the Texas Local Government Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (Commission). The District was created to promote, encourage, develop, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare within the District. The affairs of the District are managed by a Board of Directors (Board) composed of persons appointed by the governing body of the City of College Station (City).

The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

### *Reporting Entity*

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

### *Government-Wide and Fund Financial Statements*

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage, and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through property taxes. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

*General Fund* – The general fund is the primary operating fund of the District that accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services, and interest income.

*Debt Service Fund* – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest-related costs, as well as the financial resources being accumulated for future debt service.

*Capital Projects Fund* – The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

## *Fund Balances – Governmental Funds*

The fund balances for the District's governmental funds can be displayed in up to five components:

*Nonspendable* – Amounts that are not in a spendable form or are required to be maintained intact.

*Restricted* – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

*Committed* – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by the issuance of a resolution by the District's Board.

*Assigned* – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, the assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

*Unassigned* – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## *Measurement Focus and Basis of Accounting*

### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues, if any, are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

### *Fund Financial Statements*

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services, and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

### *Deferred Outflows and Inflows of Resources*

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

### *Interfund Transactions*

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

### *Pension Costs*

The District does not participate in a pension plan and, therefore, has no pension costs.

### *Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### *Investments and Investment Income*

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

### *Property Taxes*

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes and penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended May 31, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended May 31, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

### *Capital Assets*

The District conveys title to all capital assets, with the exception of storm water detention facilities, to the City. Capital assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

### *Debt Issuance Costs*

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

### *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *Net Position/Fund Balances*

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

### *Reconciliation of Government-Wide and Fund Financial Statements*

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because of the following items.

| | |
|---|---|
| Capital assets used in governmental activities are not financial resources and are not reported in the funds. | $ 595,072 |
| Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements. | 10,921 |
| Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds. | (140,637) |
| Long-term liabilities are not due and payable in the current period and are not reported in the funds. | (25,036,823) |
| Adjustment to fund balances to arrive at net position. | $ (24,571,467) |

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures, and change in fund balances because:

| | |
|---|---|
| Change in fund balances. | $ 462,982 |
| Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is conveyed to the City for maintenance, exclusive of detention facilities. This is the amount by which conveyed capital assets and noncapitalized costs exceeded capital outlay expenditures in the current period. | 262,943 |
| Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | 76,458 |
| Governmental funds report proceeds from the sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position. | (2,425,000) |
| Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds. | (10,842) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (75,975) |
| Change in net position of governmental activities. | $ (1,709,434) |

## Note 2. Deposits, Investments, and Investment Income

### *Deposits*

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States or letters of credit issued by a federal home loan bank. The District has entered into one or more collateral security agreements with depository institutions that are more restrictive than state laws as to the type of securities with which the District's deposits may be collateralized.

At May 31, 2025, none of the District's bank balances were exposed to custodial credit risk.

### *Investments*

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies, and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investment in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At May 31, 2025, the District has the following investments and maturities.

| | | Maturities in Years | | | |
|---|---|---|---|---|---|
| **Type** | **Fair Value** | **Less Than 1** | **1–5** | **6–10** | **More Than 10** |
| Texas CLASS | $ 1,158,551 | $ 1,158,551 | $ - | $ - | $ - |

**Interest Rate Risk**. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years, and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

**Credit Risk**. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At May 31, 2025, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

### *Summary of Carrying Values*

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at May 31, 2025 as follows:

| | |
|---|---|
| Carrying value | |
| Deposits | $ 108,980 |
| Investments | 1,158,551 |
| Total | $ 1,267,531 |

### *Investment Income*

Investment income of $34,705 for the year ended May 31, 2025 consisted of interest income.

### *Fair Value Measurements*

The District has the following recurring fair value measurement as of May 31, 2025:

- Pooled investments of $1,158,551 are valued at fair value per share of the pool's underlying portfolio.

## Note 3. Capital Assets

A summary of changes in capital assets for the year ended May 31, 2025 is presented as follows:

| Governmental Activities | Balances, Beginning of Year | Additions | Balances, End of Year |
|---|---|---|---|
| Capital assets, non-depreciable | | | |
| Land and improvements | $ 595,072 | $ - | $ 595,072 |

## Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended May 31, 2025 were as follows:

| Governmental Activities | Balances, Beginning of Year | Increases | Decreases | Balances, End of Year | Amounts Due in One Year |
|---|---|---|---|---|---|
| Bonds payable | | | | | |
| General obligation bonds | $ 8,220,000 | $ 2,550,000 | $ 125,000 | $ 10,645,000 | $ 175,000 |
| Less discounts on bonds | 217,818 | 76,458 | 3,565 | 290,711 | - |
| | 8,002,182 | 2,473,542 | 121,435 | 10,354,289 | 175,000 |
| Due to developer, advances | 527,800 | - | - | 527,800 | - |
| Due to developers, construction | 14,417,677 | 1,907,513 | 2,170,456 | 14,154,734 | - |
| Total governmental activities long-term liabilities | $ 22,947,659 | $ 4,381,055 | $ 2,291,891 | $ 25,036,823 | $ 175,000 |

### *General Obligation Bonds*

| | Road Series 2021 | Road Series 2022 |
|---|---|---|
| Amounts outstanding, May 31, 2025 | $2,305,000 | $2,440,000 |
| Interest rates | 1.70% to 3.00% | 4.50% to 7.00% |
| Maturity dates, serially beginning/ending | September 1, 2025/2050 | September 1, 2025/2050 |
| Interest payment dates | September 1/March 1 | September 1/March 1 |
| Callable dates* | September 1, 2027 | September 1, 2029 |

| | Road Series 2023 | Road Series 2024 |
|---|---|---|
| Amounts outstanding, May 31, 2025 | $1,750,000 | $1,600,000 |
| Interest rates | 4.00% to 6.50% | 4.00% to 6.50% |
| Maturity dates, serially beginning/ending | September 1, 2025/2050 | September 1, 2026/2050 |
| Interest payment dates | September 1/March 1 | September 1/March 1 |
| Callable dates* | September 1, 2029 | September 1, 2030 |

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

| | Road Series 2024A |
|---|---|
| Amount outstanding, May 31, 2025 | $2,550,000 |
| Interest rates | 4.00% to 6.50% |
| Maturity dates, serially beginning/ending | September 1, 2026/2050 |
| Interest payment dates | September 1/March 1 |
| Callable date* | September 1, 2031 |

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

### *Annual Debt Service Requirements*

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at May 31, 2025.

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 175,000 | $ 465,567 | $ 640,567 |
| 2027 | 290,000 | 421,623 | 711,623 |
| 2028 | 305,000 | 405,188 | 710,188 |
| 2029 | 310,000 | 388,228 | 698,228 |
| 2030 | 320,000 | 371,623 | 691,623 |
| 2031–2035 | 1,770,000 | 1,632,279 | 3,402,279 |
| 2036–2040 | 1,990,000 | 1,267,336 | 3,257,336 |
| 2041–2045 | 2,265,000 | 859,818 | 3,124,818 |
| 2046–2050 | 2,650,000 | 380,868 | 3,030,868 |
| 2051 | 570,000 | 11,281 | 581,281 |
| Total | $ 10,645,000 | $ 6,203,811 | $ 16,848,811 |

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

| | |
|---|---|
| Bonds voted | |
| Water, sewer and drainage facilities | $ 71,400,000 |
| Road and paving facilities | 106,600,000 |
| Refunding bond authorization | 178,000,000 |
| Bonds sold | |
| Road and paving facilities | 10,900,000 |

### *Due to Developers*

Developers of the District have constructed facilities on behalf of the District. With the exception of storm water detention facilities, the District conveys these facilities to the City for operation and the District has agreed to reimburse the developers for these construction costs and interest to the extent approved by the Commission, if required, from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $14,154,734. These amounts have been recorded in the financial statements as long-term liabilities.

### *Developer Advances*

Since inception, a developer has advanced $527,800 to the District for operations. These advances have been recorded as liabilities in the government-wide financial statements.

## Note 5. Significant Bond Order and Commission Requirements

(A) The Road Bond Orders require that the District levy and collect an ad valorem road debt service tax sufficient to pay interest and principal on road bonds when due. During the year ended May 31, 2025, the District levied an ad valorem road debt service tax at the rate of $0.4540 per $100 of assessed valuation, which resulted in a tax levy of $727,920 on the taxable valuation of $160,334,709 for the 2024 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $610,622, of which $184,897 has been paid and $425,725 is due September 1, 2025.

(B) In accordance with the Bond Orders, a portion of the bond proceeds was deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid.

| | | |
|---|---|---|
| Bond interest reserve, beginning of year | $ | 92,975 |
| Additions – Interest appropriated from bond proceeds | | |
| Road Series 2024A | | 110,425 |
| Deductions – Appropriation from bond interest paid | | |
| Road Series 2023 | | (21,050) |
| Road Series 2024 | | (56,941) |
| Bond interest reserve, end of year | $ | 125,409 |

## Note 6. Maintenance Taxes

At an election held November 3, 2015, voters authorized a maintenance tax not to exceed $1.00 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2025, the District levied an ad valorem maintenance tax at the rate of $0.1960 per $100 assessed valuation, which resulted in a tax levy of $314,256 on the taxable valuation of $160,334,709 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

## Note 7. 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. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

## Note 8. Utility and Road Agreement

The District and the City entered into that certain Utility and Road Agreement dated February 17, 2015 (Utility Agreement), which provides the terms for the provision of water, sewer, drainage, and road facilities (Facilities) within the District. Pursuant to the Agreement, the Facilities are to be constructed by the developer and, with the exception of storm water detention facilities, subsequently conveyed to the City for operation. Water and sewer service to the District is provided by the City. The City has agreed to provide the District with its ultimate requirements for water supply and wastewater treatment capacity without capital charges of any kind. Under the Utility Agreement, the District is authorized to issue bonds to finance the construction and acquisition of the Facilities and must obtain City consent for the same, which shall be granted to the extent such issuances comply with the City's terms of consent to the creation of the District. Lastly, the Utility Agreement restricts the City's ability to dissolve the District, which may not occur until the termination or expiration of that certain Infrastructure and Economic Development Agreement between the City and College Station Town Center, Inc., effective July 10, 2015, as partially assigned to the District and College Station Downtown Residential, LLC. The City has agreed to afford the District the opportunity to discharge any remaining obligations under any existing reimbursement agreement with a developer in the District by authorizing the sale of bonds during a dissolution transition period or selling bonds of the City in an amount adequate to discharge the District's obligations.

## Note 9. Contingencies

Developers of the District are constructing water, sewer, drainage, and road facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, if required. The District's engineer has stated that current construction contract amounts are approximately $3,970,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

# *Required Supplementary Information*

**Rock Prairie Management District No. 2**
**Budgetary Comparison Schedule – General Fund**
**Year Ended May 31, 2025**

| | Original Budget | Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| **Revenues** | | | |
| Property taxes | $ 220,228 | $ 317,534 | $ 97,306 |
| Investment income | - | 2,937 | 2,937 |
| **Total Revenues** | 220,228 | 320,471 | 100,243 |
| **Expenditures** | | | |
| Service operations | | | |
| Professional fees | 112,000 | 121,212 | (9,212) |
| Contracted services | 32,000 | 27,484 | 4,516 |
| Repairs and maintenance | 135,100 | 93,361 | 41,739 |
| Other expenditures | 15,970 | 19,120 | (3,150) |
| Debt service, debt issuance costs | - | 509 | (509) |
| **Total Expenditures** | 295,070 | 261,686 | 33,384 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (74,842) | 58,785 | 133,627 |
| **Other Financing Sources** | | | |
| Developer advances received | 74,842 | - | (74,842) |
| **Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | - | 58,785 | 58,785 |
| **Fund Balance, Beginning of Year** | 94,564 | 94,564 | - |
| **Fund Balance, End of Year** | $ 94,564 | $ 153,349 | $ 58,785 |

### *Budgets and Budgetary Accounting*

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2025.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

*Supplementary Information*

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 10–20

[X] Schedule of Services

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-Term Debt Service Requirements by Years

[X] Changes in Long-Term Bonded Debt

[X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund

[X] Board Members, Key Personnel, and Consultants

## Rock Prairie Management District No. 2
## Schedule of Services
## Year Ended May 31, 2025

1. Services provided by the District

| | | |
|---|---|---|
| ___ Retail Water | ___ Wholesale Water | X Drainage |
| ___ Retail Wastewater | ___ Wholesale Wastewater | ___ Irrigation |
| X Parks/Recreation | ___ Fire Protection | ___ Security |
| ___ Solid Waste/Garbage | ___ Flood Control | X Roads |

___ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

___ Other The City of College Station provides services to the District's customers pursuant to that certain Utility and Road Agreement dated February 17, 2015, between the District and the City of College Station.

## Rock Prairie Management District No. 2
## Schedule of General Fund Expenditures
## Year Ended May 31, 2025

| | | |
|---|---|---|
| **Personnel (including benefits)** | | $ - |
| **Professional Fees** | | |
| Auditing | $ 15,000 | |
| Legal | 83,561 | |
| Engineering | 22,651 | |
| Financial advisor | - | 121,212 |
| **Purchased Services for Resale** | | |
| Bulk water and wastewater service purchases | | - |
| **Regional Water Fee** | | |
| **Contracted Services** | | |
| Bookkeeping | 27,484 | |
| General manager | - | |
| Appraisal district | - | |
| Tax collector | - | |
| Security | - | |
| Other contracted services | - | 27,484 |
| **Utilities** | | - |
| **Repairs and Maintenance** | | 93,361 |
| **Administrative Expenditures** | | |
| Directors' fees | - | |
| Office supplies | 1,863 | |
| Insurance | 3,113 | |
| Other administrative expenditures | 14,144 | 19,120 |
| **Capital Outlay** | | |
| Capitalized assets | - | |
| Expenditures not capitalized | - | - |
| **Tap Connection Expenditures** | | - |
| **Solid Waste Disposal** | | - |
| **Fire Fighting** | | - |
| **Parks and Recreation** | | - |
| **Other Expenditures** | | 509 |
| **Total Expenditures** | | $ 261,686 |

**Rock Prairie Management District No. 2**
**Schedule of Temporary Investments**
**May 31, 2025**

| | Interest Rate | Maturity Date | Face Amount | Accrued Interest Receivable |
|---|---|---|---|---|
| **General Fund** | | | | |
| Texas CLASS | 4.42% | Demand | $ 192,685 | $ - |
| **Debt Service Fund** | | | | |
| Texas CLASS | 4.42% | Demand | 919,450 | - |
| **Capital Projects Fund** | | | | |
| Texas CLASS | 4.42% | Demand | 1,689 | - |
| Texas CLASS | 4.42% | Demand | 44,727 | |
| | | | 46,416 | - |
| Totals | | | $ 1,158,551 | $ - |

## Rock Prairie Management District No. 2
## Analysis of Taxes Levied and Receivable
## Year Ended May 31, 2025

| | | Maintenance Taxes | Road Debt Service Taxes |
|---|---|---|---|
| **Receivable, Beginning of Year** | | $ 6,700 | $ 12,403 |
| Additions and corrections to prior years' taxes | | (18) | (56) |
| **Adjusted Receivable, Beginning of Year** | | 6,682 | 12,347 |
| **2024 Original Tax Levy** | | 309,053 | 715,868 |
| Additions and corrections | | 5,203 | 12,052 |
| Adjusted tax levy | | 314,256 | 727,920 |
| Total to be accounted for | | 320,938 | 740,267 |
| Tax collections: | Current year | (311,534) | (721,615) |
| | Prior years | (6,000) | (11,135) |
| **Receivable, End of Year** | | $ 3,404 | $ 7,517 |
| **Receivable, by Year** | | | |
| 2024 | | $ 2,722 | $ 6,305 |
| 2023 | | 682 | 1,212 |
| **Receivable, End of Year** | | $ 3,404 | $ 7,517 |

## Rock Prairie Management District No. 2
## Analysis of Taxes Levied and Receivable
## Year Ended May 31, 2025 (Continued)

| | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Property Valuations** | | | | |
| Land | $ 43,817,101 | $ 38,023,928 | $ 28,331,916 | $ 25,709,367 |
| Improvements | 120,481,064 | 93,823,812 | 45,817,587 | 17,711,363 |
| Personal property | 153,585 | 140,373 | 120,621 | 608,274 |
| Exemptions | (4,117,041) | (3,375,748) | (1,525,281) | (637,793) |
| **Total Property Valuations** | $ 160,334,709 | $ 128,612,365 | $ 72,744,843 | $ 43,391,211 |
| **Tax Rates per $100 Valuation** | | | | |
| Road debt service tax rates | $ 0.4540 | $ 0.3200 | $ 0.3800 | $ 0.3300 |
| Maintenance tax rates* | 0.1960 | 0.1800 | 0.1200 | 0.1700 |
| **Total Tax Rates per $100 Valuation** | $ 0.6500 | $ 0.5000 | $ 0.5000 | $ 0.5000 |
| **Tax Levy** | $ 1,042,176 | $ 643,061 | $ 363,724 | $ 216,955 |
| **Percent of Taxes Collected to Taxes Levied**** | 99% | 99% | 100% | 100% |

*Maximum tax rate approved by voters: $1.00 on November 3, 2015

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

**Rock Prairie Management District No. 2**
**Schedule of Long-Term Debt Service Requirements by Years**
**May 31, 2025**

| | Road Series 2021 | | |
|---|---|---|---|
| **Due During Fiscal Years Ending May 31** | **Principal Due September 1** | **Interest Due September 1, March 1** | **Total** |
| 2026 | $ 65,000 | $ 59,998 | $ 124,998 |
| 2027 | 65,000 | 58,860 | 123,860 |
| 2028 | 70,000 | 57,575 | 127,575 |
| 2029 | 70,000 | 56,140 | 126,140 |
| 2030 | 70,000 | 54,635 | 124,635 |
| 2031 | 70,000 | 53,060 | 123,060 |
| 2032 | 70,000 | 51,415 | 121,415 |
| 2033 | 75,000 | 49,638 | 124,638 |
| 2034 | 80,000 | 47,700 | 127,700 |
| 2035 | 80,000 | 45,650 | 125,650 |
| 2036 | 90,000 | 43,419 | 133,419 |
| 2037 | 75,000 | 41,253 | 116,253 |
| 2038 | 80,000 | 39,219 | 119,219 |
| 2039 | 80,000 | 37,118 | 117,118 |
| 2040 | 85,000 | 34,953 | 119,953 |
| 2041 | 90,000 | 32,656 | 122,656 |
| 2042 | 90,000 | 30,238 | 120,238 |
| 2043 | 95,000 | 27,694 | 122,694 |
| 2044 | 100,000 | 25,012 | 125,012 |
| 2045 | 100,000 | 22,262 | 122,262 |
| 2046 | 105,000 | 19,443 | 124,443 |
| 2047 | 110,000 | 16,350 | 126,350 |
| 2048 | 115,000 | 12,975 | 127,975 |
| 2049 | 120,000 | 9,450 | 129,450 |
| 2050 | 125,000 | 5,775 | 130,775 |
| 2051 | 130,000 | 1,950 | 131,950 |
| Totals | $ 2,305,000 | $ 934,438 | $ 3,239,438 |

| Due During Fiscal Years Ending May 31 | Road Series 2022 Principal Due September 1 | Interest Due September 1, March 1 | Total |
|---|---|---|---|
| 2026 | $ 65,000 | $ 114,150 | $ 179,150 |
| 2027 | 65,000 | 109,600 | 174,600 |
| 2028 | 65,000 | 105,050 | 170,050 |
| 2029 | 70,000 | 100,325 | 170,325 |
| 2030 | 75,000 | 96,187 | 171,187 |
| 2031 | 80,000 | 92,700 | 172,700 |
| 2032 | 85,000 | 88,988 | 173,988 |
| 2033 | 85,000 | 85,162 | 170,162 |
| 2034 | 85,000 | 81,338 | 166,338 |
| 2035 | 85,000 | 77,512 | 162,512 |
| 2036 | 85,000 | 73,688 | 158,688 |
| 2037 | 95,000 | 69,637 | 164,637 |
| 2038 | 95,000 | 65,363 | 160,363 |
| 2039 | 95,000 | 61,087 | 156,087 |
| 2040 | 95,000 | 56,813 | 151,813 |
| 2041 | 95,000 | 52,537 | 147,537 |
| 2042 | 100,000 | 48,150 | 148,150 |
| 2043 | 100,000 | 43,650 | 143,650 |
| 2044 | 100,000 | 39,150 | 139,150 |
| 2045 | 110,000 | 34,425 | 144,425 |
| 2046 | 110,000 | 29,475 | 139,475 |
| 2047 | 120,000 | 24,300 | 144,300 |
| 2048 | 120,000 | 18,900 | 138,900 |
| 2049 | 120,000 | 13,500 | 133,500 |
| 2050 | 120,000 | 8,100 | 128,100 |
| 2051 | 120,000 | 2,700 | 122,700 |
| Totals | $ 2,440,000 | $ 1,592,487 | $ 4,032,487 |

**Rock Prairie Management District No. 2**
**Schedule of Long-Term Debt Service Requirements by Years**
**May 31, 2025** **(Continued)**

| | Road Series 2023 | | |
|---|---|---|---|
| **Due During Fiscal Years Ending May 31** | **Principal Due September 1** | **Interest Due September 1, March 1** | **Total** |
| 2026 | $ 45,000 | $ 77,475 | $ 122,475 |
| 2027 | 45,000 | 74,550 | 119,550 |
| 2028 | 50,000 | 71,588 | 121,588 |
| 2029 | 50,000 | 68,588 | 118,588 |
| 2030 | 50,000 | 65,588 | 115,588 |
| 2031 | 55,000 | 62,438 | 117,438 |
| 2032 | 55,000 | 59,138 | 114,138 |
| 2033 | 55,000 | 56,388 | 111,388 |
| 2034 | 60,000 | 54,088 | 114,088 |
| 2035 | 60,000 | 51,688 | 111,688 |
| 2036 | 60,000 | 49,288 | 109,288 |
| 2037 | 65,000 | 46,787 | 111,787 |
| 2038 | 65,000 | 44,187 | 109,187 |
| 2039 | 65,000 | 41,587 | 106,587 |
| 2040 | 70,000 | 38,887 | 108,887 |
| 2041 | 70,000 | 36,087 | 106,087 |
| 2042 | 75,000 | 33,140 | 108,140 |
| 2043 | 75,000 | 30,046 | 105,046 |
| 2044 | 75,000 | 26,953 | 101,953 |
| 2045 | 80,000 | 23,756 | 103,756 |
| 2046 | 80,000 | 20,456 | 100,456 |
| 2047 | 85,000 | 17,053 | 102,053 |
| 2048 | 85,000 | 13,493 | 98,493 |
| 2049 | 90,000 | 9,775 | 99,775 |
| 2050 | 90,000 | 5,950 | 95,950 |
| 2051 | 95,000 | 2,019 | 97,019 |
| Totals | $ 1,750,000 | $ 1,080,993 | $ 2,830,993 |

## Rock Prairie Management District No. 2
## Schedule of Long-Term Debt Service Requirements by Years
## May 31, 2025 (Continued)

| Due During Fiscal Years Ending May 31 | Road Series 2024 Principal Due September 1 | Interest Due September 1, March 1 | Total |
|---|---|---|---|
| 2026 | $ - | $ 71,925 | $ 71,925 |
| 2027 | 40,000 | 70,625 | 110,625 |
| 2028 | 45,000 | 67,863 | 112,863 |
| 2029 | 45,000 | 64,938 | 109,938 |
| 2030 | 45,000 | 62,013 | 107,013 |
| 2031 | 50,000 | 58,925 | 108,925 |
| 2032 | 50,000 | 55,988 | 105,988 |
| 2033 | 50,000 | 53,363 | 103,363 |
| 2034 | 55,000 | 50,950 | 105,950 |
| 2035 | 55,000 | 48,750 | 103,750 |
| 2036 | 55,000 | 46,550 | 101,550 |
| 2037 | 60,000 | 44,250 | 104,250 |
| 2038 | 60,000 | 41,850 | 101,850 |
| 2039 | 60,000 | 39,450 | 99,450 |
| 2040 | 65,000 | 36,950 | 101,950 |
| 2041 | 65,000 | 34,350 | 99,350 |
| 2042 | 70,000 | 31,650 | 101,650 |
| 2043 | 70,000 | 28,850 | 98,850 |
| 2044 | 75,000 | 25,903 | 100,903 |
| 2045 | 75,000 | 22,809 | 97,809 |
| 2046 | 80,000 | 19,612 | 99,612 |
| 2047 | 80,000 | 16,312 | 96,312 |
| 2048 | 85,000 | 12,909 | 97,909 |
| 2049 | 85,000 | 9,403 | 94,403 |
| 2050 | 90,000 | 5,737 | 95,737 |
| 2051 | 90,000 | 1,912 | 91,912 |
| Totals | $ 1,600,000 | $ 1,023,837 | $ 2,623,837 |

| Due During Fiscal Years Ending May 31 | Road Series 2024A Principal Due September 1 | Interest Due September 1, March 1 | Total |
|---|---|---|---|
| 2026 | $ - | $ 142,019 | $ 142,019 |
| 2027 | 75,000 | 107,988 | 182,988 |
| 2028 | 75,000 | 103,112 | 178,112 |
| 2029 | 75,000 | 98,237 | 173,237 |
| 2030 | 80,000 | 93,200 | 173,200 |
| 2031 | 80,000 | 88,600 | 168,600 |
| 2032 | 85,000 | 84,900 | 169,900 |
| 2033 | 85,000 | 81,500 | 166,500 |
| 2034 | 90,000 | 78,000 | 168,000 |
| 2035 | 90,000 | 74,400 | 164,400 |
| 2036 | 95,000 | 70,700 | 165,700 |
| 2037 | 95,000 | 66,900 | 161,900 |
| 2038 | 95,000 | 63,100 | 158,100 |
| 2039 | 100,000 | 59,200 | 159,200 |
| 2040 | 105,000 | 55,100 | 160,100 |
| 2041 | 105,000 | 50,900 | 155,900 |
| 2042 | 110,000 | 46,600 | 156,600 |
| 2043 | 110,000 | 42,200 | 152,200 |
| 2044 | 115,000 | 37,700 | 152,700 |
| 2045 | 115,000 | 33,100 | 148,100 |
| 2046 | 120,000 | 28,400 | 148,400 |
| 2047 | 125,000 | 23,500 | 148,500 |
| 2048 | 125,000 | 18,500 | 143,500 |
| 2049 | 130,000 | 13,400 | 143,400 |
| 2050 | 135,000 | 8,100 | 143,100 |
| 2051 | 135,000 | 2,700 | 137,700 |
| Totals | $ 2,550,000 | $ 1,572,056 | $ 4,122,056 |

**Rock Prairie Management District No. 2**
**Schedule of Long-Term Debt Service Requirements by Years**
**May 31, 2025** **(Continued)**

| Due During Fiscal Years Ending May 31 | Annual Requirements For All Series: Total Principal Due | Total Interest Due | Total Principal and Interest Due |
|---|---|---|---|
| 2026 | $ 175,000 | $ 465,567 | $ 640,567 |
| 2027 | 290,000 | 421,623 | 711,623 |
| 2028 | 305,000 | 405,188 | 710,188 |
| 2029 | 310,000 | 388,228 | 698,228 |
| 2030 | 320,000 | 371,623 | 691,623 |
| 2031 | 335,000 | 355,723 | 690,723 |
| 2032 | 345,000 | 340,429 | 685,429 |
| 2033 | 350,000 | 326,051 | 676,051 |
| 2034 | 370,000 | 312,076 | 682,076 |
| 2035 | 370,000 | 298,000 | 668,000 |
| 2036 | 385,000 | 283,645 | 668,645 |
| 2037 | 390,000 | 268,827 | 658,827 |
| 2038 | 395,000 | 253,719 | 648,719 |
| 2039 | 400,000 | 238,442 | 638,442 |
| 2040 | 420,000 | 222,703 | 642,703 |
| 2041 | 425,000 | 206,530 | 631,530 |
| 2042 | 445,000 | 189,778 | 634,778 |
| 2043 | 450,000 | 172,440 | 622,440 |
| 2044 | 465,000 | 154,718 | 619,718 |
| 2045 | 480,000 | 136,352 | 616,352 |
| 2046 | 495,000 | 117,386 | 612,386 |
| 2047 | 520,000 | 97,515 | 617,515 |
| 2048 | 530,000 | 76,777 | 606,777 |
| 2049 | 545,000 | 55,528 | 600,528 |
| 2050 | 560,000 | 33,662 | 593,662 |
| 2051 | 570,000 | 11,281 | 581,281 |
| Totals | $ 10,645,000 | $ 6,203,811 | $ 16,848,811 |

**Rock Prairie Management District No. 2**
**Changes in Long-Term Bonded Debt**
**Year Ended May 31, 2025**

| | Road Series 2021 | Road Series 2022 | Bond Road Series 2023 |
|---|---|---|---|
| Interest rates | 1.70% to 3.00% | 4.50% to 7.00% | 4.00% to 6.50% |
| Dates interest payable | September 1/ March 1 | September 1/ March 1 | September 1/ March 1 |
| Maturity dates | September 1, 2025/2050 | September 1, 2025/2050 | September 1, 2025/2050 |
| Bonds outstanding, beginning of current year | $ 2,370,000 | $ 2,500,000 | $ 1,750,000 |
| Bonds sold during current year | - | - | - |
| Retirements, principal | 65,000 | 60,000 | - |
| Bonds outstanding, end of current year | $ 2,305,000 | $ 2,440,000 | $ 1,750,000 |
| Interest paid during current year | $ 61,038 | $ 118,525 | $ 78,938 |

Paying agent's name and address:

**Series 2021** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
**Series 2022** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
**Series 2023** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
**Series 2024** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
**Series 2024A** – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

| Bond authority | Water, Sewer and Drainage Tax Bonds | Road and Paving Tax Bonds | Refunding Bonds |
|---|---|---|---|
| Amount authorized by voters | $ 71,400,000 | $ 106,600,000 | $ 178,000,000 |
| Amount issued | $ - | $ 10,900,000 | $ - |
| Remaining to be issued | $ 71,400,000 | $ 95,700,000 | $ 178,000,000 |

| | |
|---|---|
| Debt service fund cash and temporary investment balances as of May 31, 2025: | $ 1,017,580 |
| Average annual debt service payment (principal and interest) for remaining term of all debt: | $ 648,031 |

| Issues | | |
|---|---|---|
| Road<br>Series 2024 | Road<br>Series 2024A | Totals |
| 4.00% to<br>6.50% | 4.00% to<br>6.50% | |
| September 1/<br>March 1 | September 1/<br>March 1 | |
| September 1,<br>2026/2050 | September 1,<br>2026/2050 | |
| $ 1,600,000 | $ - | $ 8,220,000 |
| - | 2,550,000 | 2,550,000 |
| - | - | 125,000 |
| $ 1,600,000 | $ 2,550,000 | $ 10,645,000 |
| $ 56,941 | $ - | $ 315,442 |

## Rock Prairie Management District No. 2
## Comparative Schedule of Revenues and Expenditures – General Fund
## Five Years Ended May 31,

| | Amounts | | | | |
|---|---|---|---|---|---|
| | **2025** | **2024** | **2023** | **2022** | **2021** |
| **General Fund** | | | | | |
| **Revenues** | | | | | |
| Property taxes | $ 317,534 | $ 228,004 | $ 85,613 | $ 73,108 | $ 116,829 |
| Penalty and interest | - | - | - | - | 1,738 |
| Investment income | 2,937 | 888 | - | - | 66 |
| Other income | - | 9 | - | - | - |
| **Total Revenues** | 320,471 | 228,901 | 85,613 | 73,108 | 118,633 |
| **Expenditures** | | | | | |
| Service operations | | | | | |
| Professional fees | 121,212 | 96,099 | 116,642 | 86,214 | 94,471 |
| Contracted services | 27,484 | 30,885 | 26,967 | 26,452 | 23,538 |
| Repairs and maintenance | 93,361 | 95,660 | 87,212 | 8,084 | - |
| Other expenditures | 19,120 | 18,710 | 14,332 | 11,489 | 13,843 |
| Debt service, debt issuance costs | 509 | - | 20,333 | - | - |
| **Total Expenditures** | 261,686 | 241,354 | 265,486 | 132,239 | 131,852 |
| **Excess (Deficiency )of Revenues Over Expenditures** | 58,785 | (12,453) | (179,873) | (59,131) | (13,219) |
| **Other Financing Sources (Uses)** | | | | | |
| Interfund transfers in (out) | - | 20,333 | - | (27,952) | - |
| Developer advances | - | 110,000 | 173,000 | - | 50,033 |
| **Total Other Financing Sources (Uses)** | - | 130,333 | 173,000 | (27,952) | 50,033 |
| **Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | 58,785 | 117,880 | (6,873) | (87,083) | 36,814 |
| **Fund Balance (Deficit), Beginning of Year** | 94,564 | (23,316) | (16,443) | 70,640 | 33,826 |
| **Fund Balance (Deficit), End of Year** | $ 153,349 | $ 94,564 | $ (23,316) | $ (16,443) | $ 70,640 |
| **Total Active Retail Water Connections** | N/A | N/A | N/A | N/A | N/A |
| **Total Active Retail Wastewater Connections** | N/A | N/A | N/A | N/A | N/A |

| Percent of Fund Total Revenues | | | | |
|---|---|---|---|---|
| 2025 | 2024 | 2023 | 2022 | 2021 |
| 99.1 % | 99.6 % | 100.0 % | 100.0 % | 98.5 % |
| - | - | - | - | 1.4 |
| 0.9 | 0.4 | - | - | 0.1 |
| - | 0.0 | - | - | - |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 37.8 | 42.0 | 136.2 | 117.9 | 79.6 |
| 8.6 | 13.5 | 31.5 | 36.2 | 19.8 |
| 29.1 | 41.8 | 101.9 | 11.1 | - |
| 6.0 | 8.1 | 16.7 | 15.7 | 11.7 |
| 0.2 | - | 23.8 | - | - |
| 81.7 | 105.4 | 310.1 | 180.9 | 111.1 |
| 18.3 % | (5.4) % | (210.1) % | (80.9) % | (11.1) % |

## Rock Prairie Management District No. 2
## Comparative Schedule of Revenues and Expenditures – Debt Service Fund
## Five Years Ended May 31,

| | Amounts | | | | |
|---|---|---|---|---|---|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| **Debt Service Fund** | | | | | |
| **Revenue** | | | | | |
| Property taxes | $ 732,750 | $ 409,295 | $ 268,435 | $ 141,133 | $ - |
| Penalty and interest | 8,560 | 7,526 | 3,660 | 1,941 | - |
| Investment income | 28,563 | 19,271 | 6,841 | 181 | 3 |
| **Total Revenues** | 769,873 | 436,092 | 278,936 | 143,255 | 3 |
| **Expenditures** | | | | | |
| Current | | | | | |
| Professional fees | 2,116 | 2,082 | 1,134 | 704 | - |
| Contracted services | 21,598 | 18,050 | 14,460 | 11,651 | - |
| Other expenditures | 6,213 | 5,642 | 7,790 | 6,070 | - |
| Debt Service | | | | | |
| Principal retirement | 125,000 | 65,000 | 65,000 | - | - |
| Interest and fees | 317,765 | 242,051 | 109,447 | 56,561 | - |
| **Total Expenditures** | 472,692 | 332,825 | 197,831 | 74,986 | - |
| **Excess of Revenues Over Expenditures** | 297,181 | 103,267 | 81,105 | 68,269 | 3 |
| **Other Financing Sources** | | | | | |
| General obligation bonds issued | 110,425 | 150,862 | 120,625 | - | 63,182 |
| Interfund transfers in | - | - | - | 27,952 | - |
| **Total Other Financing Sources** | 110,425 | 150,862 | 120,625 | 27,952 | 63,182 |
| **Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | 407,606 | 254,129 | 201,730 | 96,221 | 63,185 |
| **Fund Balance, Beginning of Year** | 615,265 | 361,136 | 159,406 | 63,185 | - |
| **Fund Balance, End of Year** | $ 1,022,871 | $ 615,265 | $ 361,136 | $ 159,406 | $ 63,185 |

| Percent of Fund Total Revenues | | | | |
|---|---|---|---|---|
| 2025 | 2024 | 2023 | 2022 | 2021 |
| 95.2 % | 93.9 % | 98.5 % | 98.5 % | - % |
| 1.1 | 1.7 | 1.4 | 1.4 | - |
| 3.7 | 4.4 | 0.1 | 0.1 | 100.0 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 0.3 | 0.5 | 0.4 | 0.5 | - |
| 2.8 | 4.1 | 5.2 | 8.1 | - |
| 0.8 | 1.3 | 2.8 | 4.2 | - |
| - | - | | | |
| 16.2 | 14.9 | 23.3 | - | - |
| 41.3 | 55.5 | 39.2 | 39.5 | - |
| 61.4 | 76.3 | 70.9 | 52.3 | 0.0 |
| 38.6 % | 23.7 % | 29.1 % | 47.7 % | 100.0 % |

| | | |
|---|---|---|
| Complete District mailing address: | Rock Prairie Management District No. 2<br>c/o Schwartz, Page & Harding, L.L.P.<br>1300 Post Oak Boulevard, Suite 2400<br>Houston, TX 77056 | |
| District business telephone number: | 713.623.4531 | |
| Submission date of the most recent District Registration Form<br>(TWC Sections 36.054 and 49.054): | | July 13, 2023 |
| Limit on fees of office that a director may receive during a fiscal year: | | $ - |

| Board Members | Term of Office Elected & Expires | Fees* | Expense Reimbursements | Title at Year-End |
|---|---|---|---|---|
| Uri Geva | Appointed 06/23–06/27 | $ - | $ - | President |
| Hays Glover | Appointed 06/23–06/27 | - | - | Vice President |
| Mark Lindemulder | Appointed 06/23–06/27 | - | - | Secretary |
| Logan Lee | Appointed 06/21–06/25 | - | - | Assistant Vice President |
| Samuel Kerbel | Appointed 06/21–06/25 | - | - | Assistant Secretary |

*The District is a management district, therefore, no directors' fees are paid.

| Consultants | Date Hired | Fees and Expense Reimbursements | Title |
|---|---|---|---|
| B&A Municipal Tax Service, LLC | 05/02/17 | $ 18,296 | Tax Assessor/ Collector |
| Brazos Central Appraisal District | Legislative Action | 9,724 | Appraiser |
| EHRA Engineering | 08/18/15 | 34,409 | Engineer |
| Forvis Mazars, LLP | 10/08/20 | 25,600 | Auditor |
| Masterson Advisors LLC | 05/12/22 | 53,938 | Financial Advisor |
| Municipal Accounts & Consulting, L.P. | 08/18/15 | 33,939 | Bookkeeper |
| Perdue, Brandon, Fielder, Collins & Mott, L.L.P. | 07/07/17 | 2,116 | Delinquent Tax Attorney |
| Schwartz, Page & Harding, L.L.P. | 07/30/15 | 83,908 | General Counsel |
| | | 74,005 | Bond Counsel |

| Investment Officers | | | |
|---|---|---|---|
| Mark M. Burton and Ghia Lewis | 08/18/15 | N/A | Bookkeepers |