OFFICIAL STATEMENT DATED APRIL 22, 2026

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING LAW AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "LEGAL MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (BAM Insured).."AA"
Moody's Ratings (Underlying) .... "Baa2"

$2,500,000

EAST MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

(A Political Subdivision of the State of Texas Located within Montgomery County)

UNLIMITED TAX PARK BONDS, SERIES 2026

Dated Date: May 1, 2026
Interest accrues from: Date of Delivery **Due: September 1, as shown on inside cover**

The $2,500,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds"), are obligations of East Montgomery County Municipal Utility District No. 6 (the "District") and are not obligations of the State of Texas; Montgomery County, Texas; the City of Houston, Texas; or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Montgomery County, Texas; the City of Houston, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds. The Bonds will be initially registered and delivered only to Cede & Co., as nominee for The Depository Trust Company, ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"), or any successor paying agent/registrar, directly to DTC, which, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System." Principal of the Bonds is payable to the registered owner(s) of the Bonds (the "Registered Owner(s)") at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. The Bonds are dated May 1, 2026 (the "Dated Date") and will accrue interest from the date of delivery, which is expected to be on or about May 28, 2026 (the "Date of Delivery"), with interest payable on September 1, 2026, and on each March 1 and September 1 thereafter to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each interest payment date. Unless otherwise agreed between the Paying Agent/Registrar and a Registered Owner, such interest is payable by check mailed to such persons or by other means acceptable to such person and the Paying Agent/Registrar. The Bonds are issuable in principal denominations of $5,000 or any integral multiple thereof in fully registered form only.

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM").**

The Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational improvements to serve the District (the "Park System"). At an election held within the District on May 10, 2014, voters of the District authorized the District's issuance of $15,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System, $39,104,262 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities to serve the District (the "System"), and $55,148,172 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities to serve the District (the "Road System"). Following the issuance of the Bonds, $12,500,000 principal amount of authorized unlimited tax bonds for the Park System, $13,799,262 principal amount of authorized unlimited tax bonds for the System, and $33,513,172 principal amount of authorized unlimited tax bonds for the Road System will remain authorized but unissued.

The Bonds, when issued, will constitute 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. See "THE BONDS – Source of Payment." Investment in the Bonds is subject to special risk factors as described herein. Prospective purchasers should review this entire Official Statement, including particularly the section of this Official Statement entitled "INVESTMENT CONSIDERATIONS," before making an investment decision. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as, and if issued by the District and accepted by the winning bidder for the Bonds (the "Initial Purchaser"), subject among other things to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Houston, Texas ("Bond Counsel"). Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas ("Disclosure Counsel"). The Bonds in definitive form are expected to be available for delivery on or about May 28, 2026. See "LEGAL MATTERS."

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

$2,500,000 Unlimited Tax Park Bonds, Series 2026

$1,765,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 27373C (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 27373C (b)
2027	$ 60,000	5.875%	2.600%	LD5	***	***	***	***	***
2028	60,000	5.875%	2.700%	LE3	2045 (c)	$190,000	4.125%	4.300%	LX1
2029	60,000	5.875%	2.800%	LF0	2046 (c)	200,000	4.250%	4.400%	LY9
2030	60,000	5.875%	2.900%	LG8	2047 (c)	210,000	4.375%	4.450%	LZ6
2031	60,000	5.875%	3.000%	LH6	2048 (c)	220,000	4.375%	4.500%	MA0
2032	60,000	5.875%	3.100%	LJ2	2049 (c)	225,000	4.375%	4.550%	MB8
2033 (c)	60,000	5.875%	3.200%	LK9	2050 (c)	240,000	3.375%	4.750%	MC6
2034 (c)	60,000	5.750%	3.300%	LL7					

$735,000 Term Bonds

$135,000 Term Bond Due September 1, 2036 (c), Interest Rate: 4.000% (Initial Reoffering Yield: 3.550%) (a), CUSIP No. 27373C LN3 (b)

$150,000 Term Bond Due September 1, 2038 (c), Interest Rate: 4.000% (Initial Reoffering Yield: 3.800%) (a), CUSIP No. 27373C LQ6 (b)

$150,000 Term Bond Due September 1, 2040 (c), Interest Rate: 4.000% (Initial Reoffering Yield: 4.000%) (a), CUSIP No. 27373C LS2 (b)

$150,000 Term Bond Due September 1, 2042 (c), Interest Rate: 4.000% (Initial Reoffering Yield: 4.100%) (a), CUSIP No. 27373C LU7 (b)

$150,000 Term Bond Due September 1, 2044 (c), Interest Rate: 4.000% (Initial Reoffering Yield: 4.200%) (a), CUSIP No. 27373C LW3 (b)

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

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) Bonds maturing on September 1, 2033, and thereafter shall be subject to redemption and payment at the option of the District, in whole, or from time to time in part, on September 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption as provided under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

All of the summaries of the statutes, orders, resolutions, contracts, audited financial statements, and engineering and other related reports set forth in the 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 Cedar Creek Municipal Advisors, LLC, 4801 Woodway Dr., Suite 118-E, Houston, Texas 77056.

The Financial Advisor (as defined herein) has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in the Official Statement in accordance with, and as part of, its responsibility 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.

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for any purpose.

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the inside cover page of this Official Statement, at a price of 97.003114% of the principal amount thereof, which resulted in a net effective interest rate of 4.369964% calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

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

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

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as "APPENDIX B."

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

Build America Mutual Assurance Company

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

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2025, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $514.1 million, $290 million and $224 million, respectively.

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

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

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

Additional Information Available from BAM

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

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

RATINGS

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

Moody's Investors Service, Inc. ("Moody's") has assigned an underlying credit rating of "Baa2" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgement, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings of S&P and Moody's.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District	East Montgomery County Municipal Utility District No. 6 (the "District"), a political subdivision of the State of Texas, is located in Montgomery County, Texas. See "THE DISTRICT."
The Bonds	The District is issuing its $2,500,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds"). The Bonds are dated May 1, 2026 (the "Dated Date") and will accrue interest from the date of delivery, which is expected to be on or about May 28, 2026 (the "Date of Delivery"), with interest payable on September 1, 2026, and on each March 1 and September 1 thereafter until maturity or prior redemption. See "THE BONDS" herein.
Redemption Provisions	The Bonds maturing on or after September 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or in part, on September 1, 2032, 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 – *Optional Redemption*." The Bonds maturing on September 1, 2027, through September 1, 2034, both inclusive, and September 1, 2045, through September 1, 2050, both inclusive, are serial bonds. The Bonds maturing on September 1 in the years 2036, 2038, 2040, 2042, and 2044 are term bonds, which have mandatory redemption provisions set out herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied against taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Montgomery County, Texas; the City of Houston, Texas; or any entity other than the District. See "THE BONDS – Source of Payment."
Payment Record	The Bonds are the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational improvements to serve the District (the "Park System"). The District has previously issued six (6) series of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities to serve the District (the "System"). The District has previously issued four (4) series of unlimited tax bonds for the purpose of acquiring or constructing road facilities to serve the District (the "Road System"). The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness. See "THE BONDS – Source of Payment."
Authority of Issuance	At an election held within the District on May 10, 2014, voters of the District authorized the District's issuance of $15,000,000 principal amount of unlimited tax bonds for the Park System, $39,104,262 principal amount of unlimited tax bonds for the System, and $55,148,172 principal amount of unlimited tax bonds for the Road System. The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an election held within the District on May 10, 2014; (iii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board"); and (iv) an order of the

	Texas Commission on Environmental Quality (the "TCEQ"). See "THE BONDS – Authority for Issuance."
Use of Proceeds	Proceeds from the sale of the Bonds will be used by the District to reimburse the Developer (herein defined) for the improvements and related costs as shown herein under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds from the Bonds will be used to pay developer interest and other certain costs associated with the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds."
Qualified Tax-Exempt Obligations	The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions.
Outstanding Bonds	The District has previously issued six (6) series of unlimited tax bonds for the System and four (4) series of unlimited tax bonds for the Road System: $2,050,000 Unlimited Tax Bonds, Series 2017; $2,300,000 Unlimited Tax Bonds, Series 2018; $6,855,000 Unlimited Tax Bonds, Series 2020; $4,475,000 Unlimited Tax Road Bonds, Series 2020; $6,350,000 Unlimited Tax Bonds, Series 2021; $6,845,000 Unlimited Tax Road Bonds, Series 2022; $5,250,000 Unlimited Tax Bonds, Series 2023; $7,465,000 Unlimited Tax Road Bonds, Series 2023; $2,500,000 Unlimited Tax Bonds, Series 2024; $2,850,000 Unlimited Tax Road Bonds, Series 2025. As of the Date of Delivery, $42,805,000 principal amount of such bonds remains outstanding (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."
Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." Moody's Investor Service, Inc. (Underlying): "Baa2" See "RATINGS."
Bond Counsel	Coats Rose, P.C., Houston, Texas. See "LEGAL MATTERS."
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.

THE DISTRICT

Description	East Montgomery County Municipal Utility District No. 6, a political subdivision of the State of Texas, is located in Montgomery County, Texas, approximately 30 miles northeast of the City of Houston, Texas and approximately three (3) miles north of the City of New Caney, Texas. All of the land within the District is within the extraterritorial jurisdiction of the City of Houston, Texas. See "THE DISTRICT – General" and "– Description."
Authority	The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – General."
Tavola	Tavola is an approximately 1,565-acre master planned community being developed by the Developer in Montgomery County, Texas, approximately 30 miles due north-northeast of the central business district of the City of Houston, Texas, and approximately three (3) miles north of the City of New Caney, Texas. 554 acres of Tavola is within the District. According to representatives of the Developer, Tavola will eventually include approximately 3,683 single-family lots. Three municipal utility districts have been created to encompass the land within Tavola, including the District, East Montgomery County Municipal Utility District No. 5 ("MUD 5"), and East Montgomery County Municipal Utility District No. 7 ("MUD 7"). MUD 5 acts as the "Master District" and provides water supply and wastewater treatment facilities, trunk water and sanitary sewer lines and stormwater and detention facilities to serve Tavola.

Status of Development	Residential development within the District's 554 acres in Tavola is substantially complete, consisting of approximately 367.85 acres and 1,307 lots. As of March 25, 2026, all 1,307 single-family homes have been completed and occupied in the District. The remainder of the land within the District includes approximately 14.03 acres for an elementary school, approximately 114.83 undevelopable acres, and approximately 57.51 acres remaining developable. See "DEVELOPMENT STATUS OF THE DISTRICT."
Developer	Land within the District is being developed by Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership d/b/a Friendswood Development Company (the "Developer"). See "DEVELOPER" and "TAVOLA."

INVESTMENT CONSIDERATIONS

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

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SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2025 Certified Taxable Assessed Valuation	$	415,761,270	(a)
Direct Debt:			
The Outstanding Bonds (as of delivery of the Bonds)	$	42,805,000	
The Bonds		2,500,000	
Total	$	45,305,000	
Estimated Overlapping Debt	$	72,386,209	(b)
Total Direct and Estimated Overlapping Debt	$	117,691,209	(b)
Direct Debt Ratios:			
As a percentage of the 2025 Certified Taxable Assessed Valuation		10.90	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2025 Certified Taxable Assessed Valuation		28.31	%
General Operating Fund Balance (as of March 25, 2026)	$	2,444,590	
Utility System Debt Service Fund Balance (as of March 25, 2026)	$	1,304,135	(c)
Utility System Capital Projects Fund Balance (as of March 25, 2026)	$	449,932	
Road System Debt Service Fund Balance (as of March 25, 2026)	$	1,517,151	(d)
Road System Capital Projects Fund Balance (as of March 25, 2026)	$	109	
2025 Tax Rate			
System Debt Service		$0.370	
Road Debt Service		$0.335	
Maintenance & Operation		$0.025	
Contract Tax		$0.440	(e)
Total		$1.170	
Combined Average Annual Debt Service Requirement (2026–2050)	$	2,629,928	(f)
Combined Maximum Annual Debt Service Requirement (2027)	$	3,098,431	(f)
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2026–2050) at 95% Tax Collections Based on the 2025 Certified Taxable Assessed Valuation		$0.67	
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Service Requirement on the Outstanding Bonds and the Bonds (2027) at 95% Tax Collections Based on the 2025 Certified Taxable Assessed Valuation		$0.79	

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

(b) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."

(c) Neither Texas law nor the Bond Order (herein defined) requires that the District maintain any particular sum in the debt service fund. The funds in the Utility System Debt Service Fund (herein defined) are pledged only to pay the debt service on the Outstanding Bonds (herein defined) for the System (herein defined) and the bonds issued for the Park System (herein defined), such as the Bonds, not the Contract Revenue Bonds (herein defined), or bonds issued for the Road System (herein defined).

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund. The funds in the Road Debt Service Fund (herein defined) are not able to pay the debt service on the Outstanding Bonds for the System, the Contract Revenue Bonds, or bonds issued for the Park System, such as the Bonds.

(e) Contract Taxes (herein defined) are levied to pay the District's share of the Master District Contract Revenue Bonds. See "INVESTMENT CONSIDERATIONS – Contract Tax" and "THE SYSTEM – The Master District" herein.

(f) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirements."

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by East Montgomery County Municipal Utility District No. 6 (the "District") of its $2,500,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an election held within the District on May 10, 2014; (iii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board"); and (iv) an order of the Texas Commission on Environmental Quality (the "TCEQ").

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

This Official Statement includes descriptions of the Bonds, the Developer (herein defined), the Bond Order, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, upon payment of the costs of duplication therefor. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

THE BONDS

General

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

The Bonds are dated May 1, 2026 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about May 28, 2026 (the "Date of Delivery"), with interest payable on September 1, 2026, and each March 1 and September 1 until maturity or redemption. The Bonds maturing September 1, 2033, and thereafter are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a particular maturity are redeemed, the Paying Agent/Registrar (herein defined) shall select the particular Bonds to be redeemed by random selection method.

The Bonds will be issued only in fully registered form in any integral multiples of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to The Depository Trust Company, ("DTC"), in its nominee name of Cede & Co., pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Initially, principal of and interest on the Bonds will be payable by Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar").

Record Date for Interest Payment

Interest on the Bonds will be paid to the registered owner (the "Registered Owners") appearing on the registration and transfer books (the "Register") of the Paying Agent/Registrar at the close of business on the "Record Date" (the fifteenth calendar day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Book-Entry-Only System

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Registration, Transfer and Exchange

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Authority for Issuance

The Bonds are the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational improvements to serve the District (the "Park System"). At an election held within the District on May 10, 2014, voters of the District authorized the District's issuance of $15,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and $22,500,000 for the refunding of such bonds, $39,104,262 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities to serve the District (the "System") and $58,656,393 for the refunding of such bonds, and $55,148,172 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System and $82,722,258 for the refunding of such bonds. The bonds authorized by the resident electors of the District, the amount of bonds issued, and the remaining authorized but unissued bonds are as follows:

Election Date	Purpose	Amount Authorized	Amount Issued	Remaining Authorized But Unissued
May 10, 2014	Roads	$ 55,148,172	$ 21,635,000	$ 33,513,172
May 10, 2014	Roads Refunding	82,722,258	–	82,722,258
May 10, 2014	Water, Sewer, and Drainage	39,104,262	25,305,000	13,799,262
May 10, 2014	WS&D Refunding	58,656,393	–	58,656,393
May 10, 2014	Parks & Recreation	15,000,000	2,500,000 (a)	12,500,000
May 10, 2014	Parks & Recreation Refunding	22,500,000	–	22,500,000

(a) The Bonds.

The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an election held within the District on May 10, 2014; (iii) the Bond Order adopted by the Board; and (iv) an order of the TCEQ.

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

Funds

The District previously created its debt service fund for the bonds issued for the System (the "Utility System Debt Service Fund"). The Utility System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds for the System and the Park System, and any additional bonds issued by the District for the System and the Park System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Outstanding Bonds for the System and the Park System and any of the District's duly authorized additional bonds for the System and the Park System payable in whole or part from taxes. Amounts on deposit in the Utility System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expense of assessing and collecting taxes levied for payment of interest on and principal of the Outstanding Bonds for the System and the Park System, and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

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

Source of Payment

The Bonds are payable from the proceeds of a continuing, direct annual ad valorem tax levied without legal limitation as to rate or amount against taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection. Collected taxes will be placed in the District's System Debt Service Fund and used to pay principal of and interest on the Bonds and on any additional bonds payable from taxes which may hereafter be issued by the District for the System.

Redemption Provisions

Optional Redemption

The Bonds maturing September 1, 2033, and thereafter shall be subject to redemption at the option of the District, in whole or from time to time in part, on September 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by a random selection method in integral multiples of $5,000 within any one maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Bonds maturing on September 1 in the years 2036, 2038, 2040, 2042, and 2044 (the "Term Bonds") are also subject to mandatory sinking fund redemption by the District by lot or other customary method of random selection prior to scheduled maturity on September 1 in the years ("Mandatory Redemption Dates") and in the amounts set forth below at a redemption price of par plus accrued interest on the date of redemption:

$135,000 Term Bonds Maturing on September 1, 2036

Mandatory Redemption Date	Principal Amount
September 1, 2035	$ 60,000
September 1, 2036 (Maturity)	$ 75,000

$150,000 Term Bonds Maturing on September 1, 2038

Mandatory Redemption Date	Principal Amount
September 1, 2037	$ 75,000
September 1, 2038 (Maturity)	$ 75,000

$150,000 Term Bonds Maturing on September 1, 2040

Mandatory Redemption Date	Principal Amount
September 1, 2039	$ 75,000
September 1, 2040 (Maturity)	$ 75,000

$150,000 Term Bonds Maturing on September 1, 2042

Mandatory Redemption Date	Principal Amount
September 1, 2041	$ 75,000
September 1, 2042 (Maturity)	$ 75,000

$150,000 Term Bonds Maturing on September 1, 2044

Mandatory Redemption Date	Principal Amount
September 1, 2043	$ 75,000
September 1, 2044 (Maturity)	$ 75,000

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

Notice of Redemption

Notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions for which such payment is made, all as provided above. The Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, and in aggregate principal amount equal to the unredeemed portion thereof, at the written request of the Registered Owner, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

Outstanding Bonds

The District has previously issued six (6) series of unlimited tax bonds for the System and four (4) series of unlimited tax bonds for the Road System: $2,050,000 Unlimited Tax Bonds, Series 2017; $2,300,000 Unlimited Tax Bonds, Series 2018; $6,855,000 Unlimited Tax Bonds, Series 2020; $4,475,000 Unlimited Tax Road Bonds, Series 2020; $6,350,000 Unlimited Tax Bonds, Series 2021; $6,845,000 Unlimited Tax Road Bonds, Series 2022; $5,250,000 Unlimited Tax Bonds, Series 2023; $7,465,000 Unlimited Tax Road Bonds, Series 2023; $2,500,000 Unlimited Tax Bonds, Series 2024; and $2,850,000 Unlimited Tax Road Bonds, Series 2025. As of the Date of Delivery, $42,805,000 principal amount of such bonds remains outstanding (the "Outstanding Bonds").

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, Texas (the "City of Houston"), the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City of Houston cannot annex territory within the District unless it annexes the entire District; however, under legislation effective December 1, 2017, the City of Houston may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. If the District is annexed, the City of Houston will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the City of Houston will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur.

Consolidation

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

Defeasance

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

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

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

Issuance of Additional Debt

The District may issue additional bonds necessary to provide improvements and facilities for the System consistent with the purposes for which the District was created and with the approval of the TCEQ.

The District's voters have authorized the issuance of: $15,000,000 principal amount of unlimited tax bonds for the Park System; and $22,500,000 for the refunding of bonds issued by the District for the Park System; $39,104,262 principal amount of unlimited tax bonds for the System; $58,656,393 for the refunding of bonds issued by the District for the System; $55,148,172 principal amount of unlimited tax bonds for the Road System; $82,722,258 for the refunding of bonds issued by the District for the Road System; and could authorize additional amounts.

The Bonds are the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing the Park System. Following the issuance of the Bonds, $12,500,000 principal amount of unlimited tax bonds for the Park System, $13,799,262 principal amount of unlimited tax bonds for the System, and $33,513,172 principal amount of authorized unlimited tax bonds for the Road System purposes will remain authorized but unissued. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board and, in the case of bonds for water, sewer and drainage facilities and recreational facilities, approved by the TCEQ).

Further, the Master District (herein defined) has existing voter approved authority to issue up to $225,000,000 unlimited tax contract revenue bonds, of which $158,130,000 remains outstanding and which will be supported by ad valorem taxes levied on property owners in the District, in East Montgomery County Municipal Utility District No. 5 ("MUD 5" or the "Master District"), and East Montgomery County Municipal Utility District No. 7 ("MUD 7"); (together with the District, the "Tavola MUD").

The principal amount of bonds issued to finance parks and recreational facilities may not exceed 1% of the District's assessed value. However, effective June 14, 2021, if the District meets certain financial feasibility requirements under TCEQ rules, and if necessary additional electoral requirements are met the outstanding principal amount of such bonds issued by the District may exceed an amount equal to 1% but not greater than 3% of the value of taxable property in the District.

The District cannot represent whether any of the development planned or occurring in the Service Area (herein defined) will be successful. The levy of a Contract Tax (herein defined) to substantially higher levels could have an adverse impact upon future development and upon development and home sales within the Service Area, including the District, and the ability of each Tavola MUD to collect, and the willingness of owners of property located within the Service Area to pay ad valorem taxes (including the Contract Tax). See "THE SYSTEM."

Following the issuance of the Bonds, the District will owe the Developer approximately $640,390 for its expenditures to construct the System, Road System, and Park System serving the developed land within the District.

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owners, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Registered Owners' Remedies

The Bond Order does not provide for the appointment of a trustee to represent the interests of the Registered Owners upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition. Furthermore, the Bond Order does not establish specific events of default with respect to the Bonds and, under Texas law, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Bond Order. Subject to the holdings of several recent Texas Supreme Court cases discussed below, a registered owner of Bonds could seek a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds; however, such judgment could not be satisfied by execution against any property of the District. A Registered Owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the District to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time consuming and a Registered Owner could be required to enforce such remedy on a periodic basis. In addition, the Texas Supreme Court recently ruled that a waiver of sovereign immunity must be provided for by statute in clear and unambiguous language and that certain statutory language previously relied upon by lower courts to support a finding that sovereign immunity had been waived did not constitute a clear and unambiguous waiver of sovereign immunity. Neither the remedy of mandamus nor any other type of injunctive relief was considered in these recent Supreme Court cases; and, in general, Texas courts have held that a writ of mandamus may be issued to require a public official to perform ministerial acts that clearly pertain to their duties, such as a legal duty that leaves nothing to the exercise of discretion or judgment. Texas courts have also held that mandamus may be used to require a public official to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party, including the payment of monies due under a contract. The District is also eligible to seek relief from its creditors under Chapter 9. Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bond holders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to creditors under the Bankruptcy Code. See "INVESTMENT CONSIDERATIONS – Bankruptcy Limitation to Registered Owners' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used by the District to reimburse the Developer for the improvements and related costs as shown below. Additionally, proceeds from the Bonds will be used to pay developer interest and other certain costs associated with the issuance of the Bonds. Totals may not sum due to rounding.

Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the Financial Advisor. 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.

		District's Share
CONSTRUCTION COSTS		
A. Developer Contribution Items		
1. Tavola Phase 1 – Hardscape	$	823,823
2. Tavola Phase 1 – Planting & Irrigation		590,327
3. Tavola Phase 2 – Softscape		354,202
Total Developer Contribution Items	$	1,768,352
B. District Items		
1. None	$	–
Total District Items	$	–
Total Construction Costs	$	1,768,352
NONCONSTRUCTION COSTS		
A. Legal Fees	$	65,000
B. Fiscal Agent Fees		50,000
C. Interest Costs		
a. Developer Interest		442,069
D. Bond Discount		74,922
E. Bond Issuance Costs		40,829
F. Bond Application Report Costs		50,000
G. Attorney General Fee		2,500
H. TCEQ Bond Issuance Fee		6,250
I. Contingency (a)		78
TOTAL NON-CONSTRUCTION COSTS	$	731,648
TOTAL BOND ISSUE REQUIREMENT	**$**	**2,500,000**

(a) Represents the difference between the estimated and actual amounts of Bond Discount.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses. In the instance that actual costs exceed previously approved estimated amounts and contingencies, the issuance of additional bonds may be required. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

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DISTRICT DEBT

General

2025 Certified Taxable Assessed Valuation	$	415,761,270	(a)
Direct Debt:			
The Outstanding Bonds (as of delivery of the Bonds)	$	42,805,000	
The Bonds		2,500,000	
Total	$	45,305,000	
Estimated Overlapping Debt	$	72,386,209	(b)
Total Direct and Estimated Overlapping Debt	$	117,691,209	(b)
Direct Debt Ratios:			
As a percentage of the 2025 Certified Taxable Assessed Valuation		10.90	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2025 Certified Taxable Assessed Valuation		28.31	%
General Operating Fund Balance (as of March 25, 2026)	$	2,444,590	
Utility System Debt Service Fund Balance (as of March 25, 2026)	$	1,304,135	(c)
Utility System Capital Projects Fund Balance (as of March 25, 2026)	$	449,932	
Road System Debt Service Fund Balance (as of March 25, 2026)	$	1,517,151	(d)
Road System Capital Projects Fund Balance (as of March 25, 2026)	$	109	
2025 Tax Rate			
System Debt Service		$0.370	
Road Debt Service		$0.335	
Maintenance & Operation		$0.025	
Contract Tax		$0.440	(e)
Total		$1.170	
Combined Average Annual Debt Service Requirement (2026–2050)	$	2,629,928	(f)
Combined Maximum Annual Debt Service Requirement (2027)	$	3,098,431	(f)
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2026–2050) at 95% Tax Collections			
Based on the 2025 Certified Taxable Assessed Valuation		$0.67	
Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Service Requirement on the Outstanding Bonds and the Bonds (2027) at 95% Tax Collections			
Based on the 2025 Certified Taxable Assessed Valuation		$0.79	

(a) Represents the taxable assessed valuation as of January 1, 2025, of all taxable property located within the District, as provided by the Appraisal District. See “TAXING PROCEDURES” and “TAX DATA.”

(b) See “DISTRICT DEBT – Estimated Overlapping Debt Statement.”

(c) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund. The funds in the Utility System Debt Service Fund are pledged only to pay the debt service on the Outstanding Bonds for the System and the bonds issued for the Park System, such as the Bonds, not the Contract Revenue Bonds, or bonds issued for the Road System.

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund. The funds in the Road Debt Service Fund are not able to pay the debt service on the Outstanding Bonds for the System, the Contract Revenue Bonds or bonds issued for the Park System, such as the Bonds.

(e) Contract Taxes are levied to pay the District’s share of the Master District Contract Revenue Bonds. See “INVESTMENT CONSIDERATIONS – Contract Tax” and “THE SYSTEM – The Master District” herein.

(f) Requirement of debt service on the Outstanding Bonds and the Bonds. See “DISTRICT DEBT – Debt Service Requirements.”

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt February 28, 2026	Overlapping Percent	Overlapping Amount
Montgomery County	$ 505,915,000	0.40%	$ 1,925,733
New Caney Independent School District	876,990,000	5.12	42,841,999
Lone Star College System	342,055,000	0.13	412,259
Master District (a)	61,330,000	46.47	27,206,218
Total Estimated Overlapping Debt (a)			$ 72,386,209
The District (b)			$ 45,305,000
Total Direct & Estimated Overlapping Debt (a)(b)			$ 117,691,209

(a) See "THE SYSTEM – The Master District" and "INVESTMENT CONSIDERATIONS – Contract Tax."

(b) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

Direct Debt Ratios:	
As a percentage of the 2025 Certified Taxable Assessed Valuation	10.90 %
Direct and Estimated Overlapping Debt Ratios:	
As a percentage of the 2025 Certified Taxable Assessed Valuation	28.31 %

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Debt Service Requirements

The following schedule sets forth the combined debt service requirements on the Outstanding Bonds as well as the principal and interest requirements of the Bonds. The Outstanding Debt Service is as of the Date of Delivery.

Calendar	Outstanding	The Bonds			Total
Year	Debt Service	Principal	Interest	Debt Service	Debt Service
2026	$ 2,174,613	$ –	$ 28,577	$ 28,577	$ 2,203,189
2027	2,927,813	60,000	110,619	170,619	3,098,431
2028	2,911,038	60,000	107,094	167,094	3,078,131
2029	2,899,838	60,000	103,569	163,569	3,063,406
2030	2,893,773	60,000	100,044	160,044	3,053,816
2031	2,885,703	60,000	96,519	156,519	3,042,221
2032	2,874,900	60,000	92,994	152,994	3,027,894
2033	2,867,513	60,000	89,469	149,469	3,016,981
2034	2,867,688	60,000	85,944	145,944	3,013,631
2035	2,865,899	60,000	82,494	142,494	3,008,393
2036	2,861,568	75,000	80,094	155,094	3,016,661
2037	2,854,968	75,000	77,094	152,094	3,007,061
2038	2,860,020	75,000	74,094	149,094	3,009,114
2039	2,856,925	75,000	71,094	146,094	3,003,019
2040	2,850,725	75,000	68,094	143,094	2,993,819
2041	2,846,700	75,000	65,094	140,094	2,986,794
2042	2,840,144	75,000	62,094	137,094	2,977,238
2043	2,841,275	75,000	59,094	134,094	2,975,369
2044	2,699,381	75,000	56,094	131,094	2,830,475
2045	2,249,594	190,000	53,094	243,094	2,492,688
2046	1,883,775	200,000	45,256	245,256	2,129,031
2047	1,882,631	210,000	36,756	246,756	2,129,388
2048	1,456,750	220,000	27,569	247,569	1,704,319
2049	280,875	225,000	17,944	242,944	523,819
2050	115,225	240,000	8,100	248,100	363,325
Total (a)	$ 61,549,329	$ 2,500,000	$ 1,698,883	$ 4,198,883	$ 65,748,212

(a) Totals may not sum due to rounding.

Combined Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2026–2050) $2,629,928

Combined Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2027) $3,098,431

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TAXING PROCEDURES

Authority to Levy Taxes

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

Tax Code and County-Wide Appraisal District

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

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. For the 2026 tax year, the District granted an exemption of $15,000 for residential homesteads of persons 65 years or older and certain disabled persons.

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

Residential Homestead Exemptions: The Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. To date, the District has not granted a general homestead exemption.

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

Tax Abatement

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

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

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

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

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.

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

Tax Payment Installments after Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

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, including such taxes for a period of three (3) years to five (5) years for agricultural use, timberland or open space land prior to the loss of the designation.

District and Taxpayer Remedies

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

The Tax Code establishes procedures for providing notice and the opportunity for a hearing for taxpayers in the event of certain proposed tax increases and provides for taxpayers referenda which could result in the repeal of certain tax increases.

Levy and Collection of Taxes

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

Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under 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 equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

Rollback of Operation and Maintenance Tax Rate

Chapter 49, Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "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 cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

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

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Texas Tax Code, are required to hold 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 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

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

The District

A determination as to the District's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board on an annual basis in September or October of each year. The District determined it was a Developing District for the 2025 tax year. 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.

District's Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due September 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, not to exceed $1.50 per $100 of assessed valuation, for operation and maintenance purposes. In 2025, the District levied a total tax in the amount of $1.170 per $100 of assessed valuation made up of the following: a tax of $0.025 for maintenance and operations; a tax of $0.44 for contract tax purposes; a tax of $0.37 for utility debt service tax purposes; and a tax of $0.335 for road debt service tax purposes.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Contract Tax (a):	Unlimited (no legal limit as to rate or amount).
Operation and Maintenance:	$1.50 per $100 assessed valuation.
Road Maintenance:	$1.50 per $100 assessed valuation.
Parks Maintenance:	$0.10 per $100 assessed valuation.

(a) Contract taxes are levied to pay the District's share of the Master District's Contract Revenue Bonds. See "INVESTMENT CONSIDERATIONS – Contract Tax" and "THE SYSTEM – The Master District" herein.

Historical Tax Collections

The following table illustrates the collection history of the District for the 2021–2025 tax years:

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Percent of Collections Current Year	Current Year Ended 9/30	Percent of Collections 02/28/2026
2021	$227,387,412	$1.24	$2,819,604	99.47%	2022	99.91%
2022	315,496,641	1.19	3,754,410	99.11%	2023	99.73%
2023	402,489,947	1.17	4,709,132	99.11%	2024	99.27%
2024	435,545,791	1.17	5,095,886	94.81%	2025	98.80%
2025	415,761,270	1.17	4,864,407	92.70%	2026	94.45%

(a) Total tax rate per $100 of assessed valuation for each respective tax year. See "Tax Rate Distribution" below.

Tax Rate Distribution

	2025	2024	2023	2022	2021
Utility Debt Service	$0.3700	$0.3400	$0.3550	$0.3100	$0.4200
Road Debt Service	$0.3350	$0.2700	$0.3100	$0.2050	$0.1000
Maintenance and Operations	$0.0250	$0.1100	$0.0550	$0.2750	$0.2500
Contract Tax	$0.4400	$0.4500	$0.4500	$0.4000	$0.4700
Total	$1.1700	$1.1700	$1.1700	$1.1900	$1.2400

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the tax years 2021–2025 by type of property.

Property Type	2025 Assessed Valuation	2024 Assessed Valuation	2023 Assessed Valuation	2022 Assessed Valuation	2021 Assessed Valuation
Land	$ 84,511,938	$ 84,773,740	$ 84,104,483	$ 78,133,680	$ 52,398,920
Improvements	372,858,701	431,566,084	386,761,893	299,653,500	193,081,070
Personal	4,724,756	889,523	882,190	512,303	1,184,752
Exemption	(46,334,125)	(81,683,556)	(69,258,619)	(62,802,842)	(19,277,330)
Total	$ 415,761,270	$ 435,545,791	$ 402,489,947	$ 315,496,641	$ 227,387,412

Principal Taxpayers

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

Taxpayer	Types of Property	Taxable Value 2025 Tax Roll	Percent of District Value
Upward America Central Property Owner LP	Land & Improvements	$ 27,321,766	6.57%
FKH SFR Propco K LP	Land & Improvements	1,864,831	0.45%
Centerpoint Energy Entex	Land & Improvements	1,168,480	0.28%
SFR JV HD 2024 1 Borrower LLC	Land & Improvements	1,118,000	0.27%
D&C Real Properties LLC	Land & Improvements	946,614	0.23%
Cressmorgan Rentals LLC	Land & Improvements	815,000	0.20%
FNALS LLC	Land & Improvements	748,126	0.18%
Lennar Homes Of Texas Land & Construction Ltd	Land & Improvements	716,229	0.17%
Progress Residential Borrower 23 LLC	Land & Improvements	654,000	0.16%
Homeowner	Land & Improvements	576,806	0.14%
		$ 35,929,852	8.64%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that, based on a tax collections rate of 95%, would be required to meet certain combined debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District occurs beyond the taxable assessed valuation as of January 1, 2025 ($415,761,270):

Combined Average Annual Debt Service Requirement (2026–2050) $2,629,928
Tax Rate of $0.67 on the 2025 Taxable Assessed Valuation produces $2,646,320

Combined Maximum Annual Debt Service Requirement (2027) $3,098,431
Tax Rate of $0.79 on the 2025 Taxable Assessed Valuation produces $3,120,288

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Estimated Overlapping Taxes

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

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

Taxing Jurisdiction	2025 Tax Rate
The District (a)	$1.170000
Montgomery County	0.377000
Montgomery County Hospital District	0.047300
Montgomery County Emergency Services District No. 7	0.100000
New Caney Independent School District	1.255200
Lone Star College System	0.106000
Total Tax Rate	$3.055500

(a) Includes Contract Tax Rate. See "INVESTMENT CONSIDERATIONS – Contract Tax" and "THE SYSTEM – The Master District" herein.

THE DISTRICT

General

The District is a limited-purpose political subdivision of the State of Texas operating as a municipal utility district pursuant to Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution. The District was created by House Bill 3546, 79th Texas legislature, Regular Session, 2005 (codified as Tex. Special Districts Code Ann §8140), and amended by House Bill 3910, 83rd Texas Legislature, Regular Session, 2013.

The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. Currently, the District contracts for solid waste collection service. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ and is located exclusively within the extraterritorial jurisdiction of the City of Houston, Texas.

Description

The District is located in Montgomery County, Texas, approximately 30 miles northeast of the City of Houston, Texas, and approximately three (3) miles north of the City of New Caney, Texas. All of the land within the District is within the extraterritorial jurisdiction of the City of Houston, Texas.

Management of the District

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

Name	Position	Term Expires May
Chris Hazle	President	2029
Billie Hamilton	Vice President	2027
Kelvin Green, Sr.	Secretary	2027
DJ Matt Musil	Assistant Secretary	2029
Arlene Faustermann	Assistant Secretary	2027

The District has engaged the following companies and individuals to operate its utilities.

Tax Assessor/Collector: The tax assessor/collector for the District is Assessments of the Southwest, Inc.

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

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.

System Operator: The District's water and sewer system is operated by H2O Innovation ("H20").

Engineer: The District's engineer is LJA Engineering, Inc. (the "Engineer" or "Master District Engineer"). Such firm acts as engineer for many residential and commercial developments in Texas.

General Counsel and Bond Counsel: The District has engaged Coats Rose, P.C., Houston, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Financial Advisor: Robert W. Baird & Co. Incorporated is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement. Robert W. Baird & Co. Incorporated was terminated effectively immediately after the bond sale and Cedar Creek Municipal Advisors, LLC, was engaged as financial advisor.

Disclosure Counsel: Orrick, Herrington & Sutcliffe LLP, Houston, Texas, is acting as disclosure counsel ("Disclosure Counsel") in connection with the issuance of the Bonds. The legal fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

DEVELOPMENT STATUS OF THE DISTRICT

Residential development within the District is substantially complete, consisting of approximately 367.85 acres and 1,307 lots. As of March 25, 2026, all 1,307 single-family homes have been completed and occupied in the District. The remainder of the land within the District includes approximately 14.03 acres for an elementary school, approximately 114.83 undevelopable acres, and approximately 57.51 acres remaining developable.

TAVOLA

Tavola is an approximately 1,565-acre master planned community being developed by the Developer in Montgomery County, Texas, approximately 30 miles due north-northeast of the central business district of the City of Houston, Texas, and approximately three (3) miles north of the City of New Caney, Texas. According to representatives of the Developer, Tavola will eventually include approximately 3,683 single-family lots. Three municipal utility districts have been created to encompass the land within Tavola, including the District, MUD 5, and MUD 7. MUD 5 acts as the "Master District" and provides the water supply and wastewater treatment facilities, trunk water and sanitary sewer lines and stormwater and detention facilities to serve Tavola.

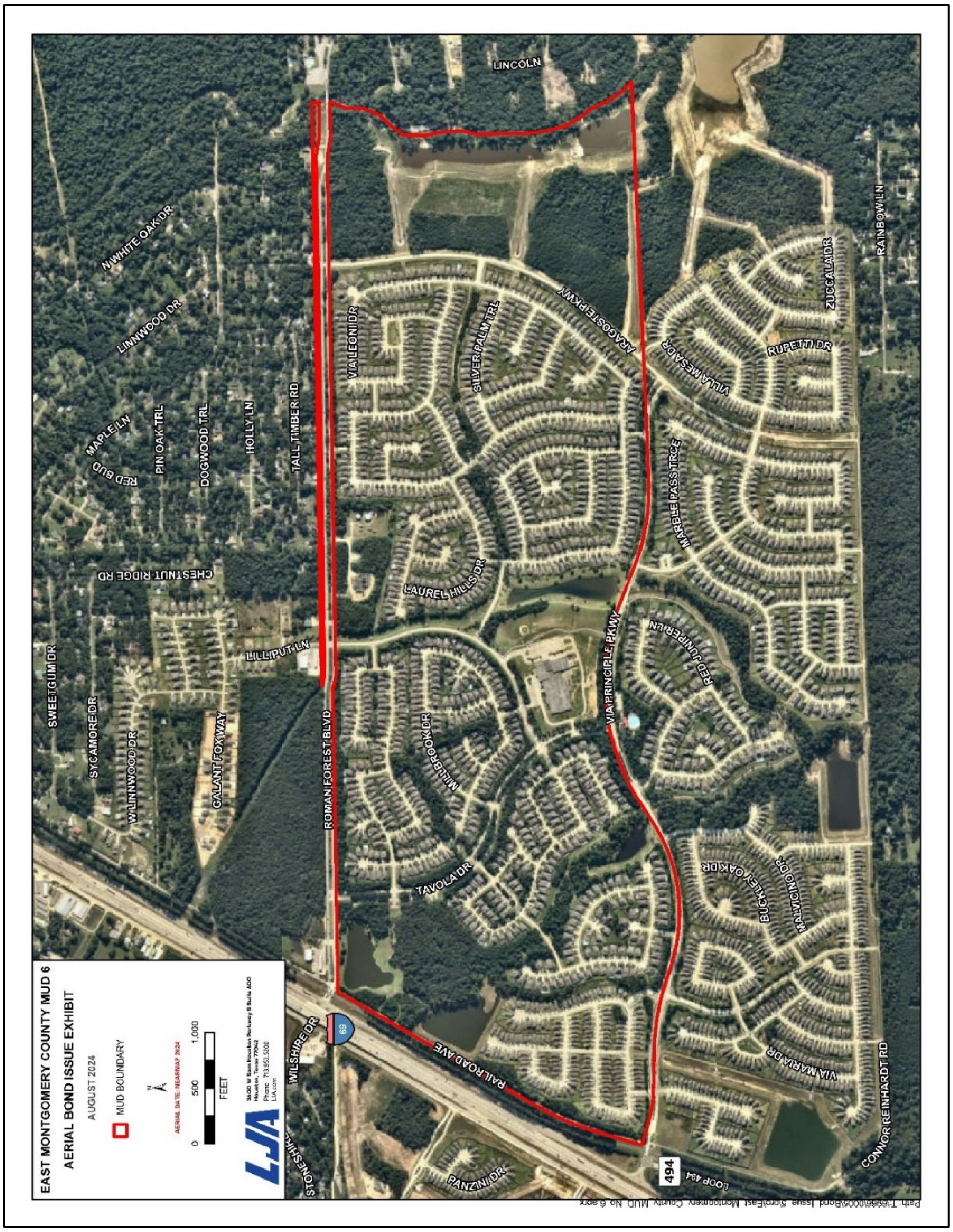
In MUD 5, approximately 225 acres have been developed into West Sections 1-10 (1,050 lots). As of March 25, 2026, all 1,050 single-family homes have been completed and occupied in the District.

In MUD 7, of the approximately 494 total acres of land located within MUD 7, approximately 353 acres (1,326 lots) within MUD 7 have been developed with water distribution, sanitary sewer and storm drainage facilities to serve the single-family residential subdivisions of Tavola, Sections 20, 21, 25, 28 – 37 and 41 – 47. As of March 25, 2026, all 1,326 single-family homes have been completed and occupied in the District.

Tavola Elementary school has been constructed on 14.03 acres in the District. As of March 25, 2026, Tavola included 3,683 completed and occupied homes and approximately 347.22 acres of undeveloped but developable land.

AERIAL OF THE DISTRICT

(August 2024)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(September 2024)

DEVELOPER

The Role of a Developer

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

The Developer

The primary developer of land within the Service Area is Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership d/b/a Friendswood Development Company (the "Developer"). The sole general partner of the Developer is U.S. Home LLC, a Delaware Limited Liability Company.

Lennar Corporation is a publicly traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for Lennar Corporation can be found online at http://phx.corporate-ir.net/phoenix.zhtml?c=65842&p=irol-irhome. Lennar Corporation is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by Lennar can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

Certain financial information concerning the Developer is included as part of the consolidated financial statements of Lennar Corporation. However, Lennar Corporation is not legally obligated to provide funds for the development of the District, to provide funds to pay taxes on property in the District owned by the Developer, or to pay any other obligations of the Developer. Further, neither the Developer nor Lennar Corporation is responsible for, is liable for or has made any commitment for payment of the Bonds or other obligations of the Tavola MUDs, and the inclusion of such financial statements and description of financial arrangements herein should not be construed as an implication to that effect. Neither the Developer nor Lennar Corporation has any legal commitment to the Tavola MUDs or owners of the Bonds to continue development of the land within the District and the Developer may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the financial condition of the Developer and Lennar Corporation is subject to change at any time.

In addition to Tavola, the Developer is the developer in the Houston, Texas area master planned communities of Kingwood, West Ranch, Lakemont, Graystone Hills, Lakes of Savannah, Wildwood at Northpointe and Fairfield, as well as numerous smaller communities, including Bay Colony West, Clearview Village, Hidden Creek, Falls at Green Meadows and other communities.

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THE SYSTEM

The Master District

On February 23, 2007, each of the Tavola MUDs executed a "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Drainage Facilities" with MUD 7, which was subsequently assigned to MUD 5 to act as the "Master District," relating to the following facilities and services: the Master District wastewater collection and treatment system, the Master District water supply and distribution system, the Master District storm water conveyance and detention facilities (collectively, the "Master District Facilities"). The Master District Contract (herein defined) was approved by the voters of each of the Tavola MUDs at a separate election held on May 12, 2007. The Master District Contract provides that the Master District and all other districts that have executed similar contracts with the Master District ("Participants") pay a pro rata share of debt service on contract revenue bonds issued to finance the Master District Facilities based upon certified appraised valuation. The District and the other Participants are obligated to pay each entity's pro rata share from the proceeds of the Contract Tax for such purpose, revenues derived from the operation of the District's water distribution system and wastewater collection system or from any other legally available funds of each Participant. The Master District Contract also provides for operation and maintenance expenses for facilities constructed pursuant to the Master District Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

The Master District is authorized to issue unlimited tax contract revenue bonds sufficient to complete acquisition and construction of the Master District Facilities. The District's pro rata share (and that of all other Tavola MUDs) of the debt service requirements on the unlimited tax contract revenue bonds is determined by dividing the District's certified appraised value by the cumulative total of the certified appraised values of all the Tavola MUDs which are parties to the Master District Contract. The Master District Contract obligates the District to pay its pro rata share of debt service requirements on the unlimited tax contract revenue bonds from the proceeds of the Contract Tax, revenues derived from the operation of the District's water distribution and wastewater collection system or from any other legally available funds of each Participant. The Master District has issued nine (9) series of Contract Revenue Bonds in the total amount of $66,870,000. See "INVESTMENT CONSIDERATIONS – Contract Tax."

Each Tavola MUD, including the District and the Master District, is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The internal facilities are financed with unlimited tax bonds sold by each district. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Tavola. In the event that the Master District fails to meet its obligations under the Master District Contract to provide Master District Facilities, each of the other Tavola MUDs, including the District, has the right pursuant to the Master District Contract to design, acquire, construct, or expand the Master District Facilities needed to provide service to such district, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual reasonable necessary capital costs expended by such district for such Master District Facilities.

The District is further obligated to pay monthly charges for water and sewer services rendered pursuant to the Master District Contract. The monthly charges will be used to pay the District's share of operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. Each Tavola MUD's share of operation and maintenance expenses and reserve requirements is determined by dividing the total number of equivalent single family residential connections ("ESFCs") for all of the Tavola MUDs within the Tavola development (the "Service Area") by the number of ESFCs for each Tavola MUD, as of the first day of the month. The District's monthly payment for operation and maintenance expenses is calculated by multiplying the District's pro rata share by the actual operation and maintenance expenses of the Master District.

Pursuant to the Master District Contract, the District is obligated to establish and maintain rates, fees and charges for services provided by the District's water distribution system and wastewater collection system, together with taxes levied and funds received from any other lawful sources, sufficient at all times to pay the District's operation and maintenance expenses, and the District's obligations pursuant to the Master District Contract, including the District's pro rata share of the Master District's debt service requirements and monthly charges. Likewise, each Participant is obligated by the Master District Contract to levy taxes and pay from funds received from any other lawful source each Participant's pro rata share of the Master District's debt service requirements. All sums payable by the District pursuant to the Master District Contract are to be paid by the District and the other Participants without set off, counterclaim, abatement, suspension or diminution. If the Participants fail to pay its share of these costs in a timely manner, the Master District Contract provides that the Master District shall be entitled to cancel, in whole or in part, any reservation or allocation of capacity in the Master District's Facilities by the Participants in addition to the Master District's other remedies. As a practical matter, the Participants have no alternative provider of these services rendered under the Master District Contract.

Regulation

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

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

Description of the System

- Water Supply and Distribution -

The water supply facilities constructed by the Master District currently consist of two water wells, rated at 2,700 gallon per minute ("gpm"); 1,110,000 gallons of ground storage capacity; pressure tank capacity of 60,000 gpm; and all related appurtenances. The major components of the Master District's water supply facilities will serve approximately 3,333 equivalent single-family connections. In order to fully provide water supply to the Service Area, the water supply facilities will need to be expanded from time to time to meet the demand for such facilities.

The Master District does not currently have a source for surface water. The Master District has an interconnect with the City of Woodbranch Village, Texas. The City of Woodbranch Village, Texas is to provide the Master District with a second source of water during emergencies. See "INVESTMENT CONSIDERATIONS – Lone Star Groundwater Conservation District" and "– San Jacinto River Authority GRP Agreement."

- Wastewater Treatment and Conveyance System -

The Master District entered into a lease agreement with AUC Group LP for two wastewater treatment plants, which currently have a capacity of 675,000 gallons per day ("gpd") for Wastewater Treatment Plant ("Wastewater Plant") 1 and 165,000 gpd for Wastewater Plant 2 for a total of 840,000 gpd. Wastewater Plant 1 is at ultimate capacity and the ultimate capacity of Wastewater Plant 2 is 330,000 gpd. The current plants are able to serve a total of 3,620 equivalent single-family connections ("ESFCs").

In order to fully provide wastewater treatment for the Service Area, the Wastewater Treatment Facilities will need to be expanded from time to time to meet the demand for such facilities.

- The Road System -

The Road System serves residents of the District by providing access to the major thoroughfares and collectors within the Tavola development and surrounding area. The major thoroughfares and collectors serving the District include Tavola Drive, Via Principale Parkway, Aragoste Parkway, Winding Summit Drive, Gran Roble Drive, Via Corsica Drive, and Via Tuscolana Drive. The Road System will ultimately be owned, operated, and maintained by the County as the phases are constructed and accepted by the County. The District does not intend to maintain or operate the roads once they are accepted by the County.

- 100-Year Flood Plain -

Approximately 80 acres within the District are located in the 100-year flood plain, of which approximately 0 acres are planned for future development. No currently developed land lies within the 100-year flood plain.

THE PARK SYSTEM

The District prepared and approved a park plan (the "Park Plan"), as may be amended from time to time. The Park Plan outlines projects related to parks and recreational facilities within the District, which includes neighborhood parks, trails, and landscaping (defined herein as the Park System). The Developer has constructed certain park and recreational facilities within the District. Proceeds of the Bonds will be used to reimburse the Developer for several recreational facility projects, including but not limited to the landscaping, hardscaping, and related appurtenances, located within the District on District-owned property within public right-of-way. See "THE BONDS – Use and Distribution of Bond Proceeds."

Historical Operations of the System

The following is a summary of the District's general operating fund. The figures below for the fiscal years ended May 31, 2022, through 2025, were obtained from the District's audited financial statements, reference to which is hereby made. The figures for the ten-month period ended March 31, 2026, are unaudited and were provided by the Bookkeeper. See "APPENDIX A." The District is required by statute to have a certified public accountant audit its financial statements, which audited financial statements are then required to be filed with the TCEQ.

		For Fiscal Year Ended May 31,			
	06/01/2025 to 03/31/2026 (a)	2025	2024	2023	2022
Revenues					
Property Taxes	$ 98,019	$ 467,494	$ 223,756	$ 863,426	$ 566,436
Water Service	244,476	328,059	386,687	338,685	278,804
Sewer Service	590,291	768,892	790,787	734,338	537,551
Surface Water Conversion	–	426,381	528,019	496,325	301,029
Security Service	153,837	204,973	204,946	211,644	164,436
Bulk Water Sales	315,921	–	–	–	–
Penalty and Interest	15,300	20,191	15,547	26,767	14,400
Tap Connection and Inspection Fees	4,556	27,295	12,985	123,787	281,660
Investment Income	92,586	114,223	129,411	64,840	1,647
Other Income	19,872	–	–	–	24
Total Revenues	$ 1,534,859	$ 2,357,508	$ 2,292,138	$ 2,859,812	$ 2,145,987
Expenditures					
Service Operations:					
Purchased Services	$ 772,643	$ 1,513,657	$ 1,666,697	$ 1,464,484	$ 1,062,635
Professional Fees	105,750	81,597	67,095	62,784	58,406
Contracted Services	540,284	624,313	604,267	586,124	447,103
Utilities	3,450	3,789	3,358	4,292	2,809
Repairs and Maintenance	31,799	48,036	41,918	172,594	189,414
Other Expenditures	47,474	106,797	100,801	119,220	77,873
Tap Connections	–	–	–	71,635	133,474
Debt service:					
Debt Issuance Costs	–	14,464	22,500	–	17,500
Contractual Obligation	–	–	–	–	–
Total Expenditures	$ 1,501,401	$ 2,392,653	$ 2,506,636	$ 2,481,133	$ 1,989,214
Revenues Over Expenditures	$ 33,458	$ (35,145)	$ (214,498)	$ 378,679	$ 156,773
Interfund Transfers In (Out)	$ 22,500	$ 22,500	$ 17,500	$ –	$ –
Beginning of Year Fund Balance	$ 2,951,859	$ 2,964,504	$ 3,161,502	$ 2,782,823	$ 2,626,050
End of Year Fund Balance	$ 3,007,817	$ 2,951,859	$ 2,964,504	$ 3,161,502	$ 2,782,823

(a) Unaudited.

INVESTMENT CONSIDERATIONS

General

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

Economic Factors Affecting Taxable Values and Tax Payments

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

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

Maximum Impact on District Tax Rate: Assuming no further development or home construction, the value of the land, improvements, and other taxable property currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The certified taxable assessed valuation as of January 1, 2025, of all taxable property located within the District is $415,761,270. After issuance of the Bonds, the combined maximum annual debt service requirement of the Outstanding Bonds and the Bonds (2027) will be $3,098,431, and the combined average annual debt service requirement of the Outstanding Bonds and the Bonds (2026–2050) will be $2,629,928. See "DISTRICT DEBT – Debt Service Requirements."

Assuming no increase to nor decrease from the District's taxable assessed valuation as of January 1, 2025, a tax rate of $0.79 and $0.67 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the combined maximum annual debt service requirement and the combined average annual debt service requirement, respectively.

In 2025, the District levied a total tax in the amount of $1.17 per $100 of assessed valuation made up of the following: a tax of $0.025 for maintenance and operations; a tax of $0.44 for contract tax purposes; a tax of $0.37 for utility debt service tax purposes; and a tax of $0.335 for road debt service tax purposes.

Contract Tax

The District is located in the master-planned development of Tavola. Two other municipal utility districts, MUD 5 and MUD 7, overlay the remaining portions of Tavola not encompassed by the District. The Master District is responsible for constructing or otherwise obtaining the water supply and wastewater treatment, as well as the regional water distribution and wastewater collection trunklines and drainage and detention facilities necessary to serve Tavola (collectively, the "Master District Facilities" as further defined in "THE SYSTEM – The Master District"). By execution of the "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Drainage Facilities" (the "Master District Contract"), the Tavola MUDs are obligated to pay a pro rata share of debt service on bonds to be issued by the Master District to finance the Master District Facilities (the "Contract Revenue Bonds") based upon the certified assessed valuation of each Participant. Each Participant, including the District, is obligated to pay its pro rata share of debt service on the Contract Revenue Bonds from the proceeds of ad valorem taxes levied by such district for such purpose (the "Contract Tax") or from any other lawful source of district income. The Master District has previously issued nine (9) series of Contract Revenue Bonds, of which $61,330,000 principal amount remains outstanding. The District levied a Contract Tax of $0.44 per $100 of assessed valuation for the 2025 tax year. The Master District is authorized, without additional voter approval, to issue Contract Revenue Bonds in an amount necessary to finance the Master District Facilities to serve the entire development of Tavola.

The certified taxable assessed valuation of the District as of January 1, 2025 ($415,761,270), representing 44.36% of the total taxable assessed valuation as of January 1, 2025, within all of Tavola ($937,235,711).

The Master District still owes approximately $2,000,000 to the Developer for Master District Facilities. The District cannot represent whether any of the development planned or occurring in the area within the Tavola MUDs served by the Master Facilities (the "Service Area") will be successful. A levy of a Contract Tax to substantially high levels could have an adverse impact upon future development and upon development and home sales within the Service Area, including the District, and the ability of the District to collect, and the willingness of owners of property located within the Service Area to pay, the ad valorem taxes levied by the Tavola MUDs (including the Contract Tax).

Potential investors should be aware that the District will be required to levy an unlimited ad valorem tax to pay debt service on both the Bonds and the Contract Revenue Bonds. If additional development does not occur within Tavola, the combined ad valorem tax rate needed to support debt service payments on the Outstanding Bonds, the Bonds, and the Contract Revenue Bonds may negatively affect the marketability of homes in the District and the ability of the District to collect, and the willingness of owners of property within the District to pay, the ad valorem taxes levied by the District (including the Contract Tax). See "THE SYSTEM."

Tax Collections and Foreclosure Remedies

The District's ability to make debt service payments on the Outstanding Bonds, the Bonds, and on the Contract Revenue Bonds may be adversely affected by difficulties in collecting 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 judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property.

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

Registered Owners' Remedies

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 registered owners of the Bonds (the "Registered Owners") have the right to seek of 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.

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. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered 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 Registered 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

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

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9, 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 petitioning District were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district. The District may not be placed into bankruptcy involuntarily.

Marketability of the Bonds

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

Future Debt

After issuance of the Bonds, the following amounts of unlimited tax bonds will remain authorized but unissued: $12,500,000 principal amount of unlimited tax bonds for the Park System, $13,799,262 principal amount of unlimited tax bonds for the System; and $33,513,172 principal amount of unlimited tax bonds for the Road System.

The District reserves in the Bond Order the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board and, in the case of bonds for the systems and recreational facilities, approved by the TCEQ). The District's issuance of bonds for roads is not subject to approval by the TCEQ. In addition, the District has the right to issue obligations, other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose.

Further, the Master District has existing voter approved authority to issue an aggregate $225,000,000 principal amount of unlimited tax contract revenue bonds. The Master District has previously issued nine (9) series of Contract Revenue Bonds, of which $61,330,000 principal amount remains outstanding. The District cannot represent whether any of the development planned or occurring in the area within the Service Area will be successful. The levy of a Contract Tax to substantially higher levels could have an adverse impact upon future development and upon development and home sales within the Service Area, including the District, and the ability of each Tavola MUD to collect, and the willingness of owners of property located within the Service Area to pay, ad valorem taxes (including the Contract Tax). See "THE SYSTEM." The issuance of additional obligations by the District or the Master District may increase the District's tax rate and adversely affect the security for and the investment quality and value of the Bonds. See "DEVELOPMENT STATUS OF THE DISTRICT."

Following the issuance of the Bonds, the District will owe the Developer approximately $640,390 for its expenditures to construct the System, Road System, and Park System serving the developed land within the District.

Collection of Taxes

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

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 of the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "LEGAL MATTERS."

Approval of the Bonds

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

Environmental Regulations

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

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

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

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

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

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

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

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

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

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

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

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

Lone Star Groundwater Conservation District

On October 10, 2017, the Lone Star Groundwater Conservation District ("Lone Star") board of directors approved new recommendations for future increases in groundwater pumping in Montgomery County based upon the results of a three-year scientific study. Lone Star commissioned its "Strategic Water Resources Planning Study" in October 2014 to evaluate the impacts to local aquifers of its 2016 groundwater pumping reductions, to evaluate whether and how additional groundwater supplies could be safely developed in the county, and to develop other related information and recommendations for use in the next five-year cycle of joint planning for establishing goals for future aquifer conditions in a multi-county region of the Gulf Coast known as Groundwater Management Area 14 ("GMA 14"). As part of the study, Lone Star surveyed all of the large water well permit holders in the county to determine how much additional declines in the water levels of the aquifers that they could tolerate in their water wells. The new recommended planning goal for the aquifers in Montgomery County would allow groundwater pumping to increase from the current goal of 64,000 acre-feet per year to 100,000 acre-feet per year. The study found that increased pumping would result in greater declines in water levels in the aquifers over the 50-year planning period than under the current goal, but that the survey results supported the board making such a policy decision because of the limited number of well owners who may have to lower their wells to accommodate the water-level declines.

The board of directors' decision was unanimous to approve the increased groundwater pumping levels and resulting aquifer conditions included in what is referred to as groundwater availability model "Run D" in the Final Report for Task 3 of the study as the Board's recommended model scenario. The board of directors of Lone Star also approved a recommendation that Lone Star's general manager and technical consultants present the results of the study, including the board's new recommendation for Run D, to the other groundwater conservation district representatives of GMA 14, with a request that Run D be considered in the new round of joint planning for the aquifers as either an amendment to the current desired future conditions for the aquifers or as a new proposal. By law, GMA 14 must adopt desired future conditions for the aquifers at least once every five years, with the current five-year cycle ending no later than January 5, 2022. However, GMA 14 can adopt new or amended desired future conditions for the aquifers earlier than those deadlines. In order to be finally approved, any new proposal or amendment must go through a lengthy technical evaluation and public hearings process prescribed by law and must receive an affirmative vote of at least four out of the five member groundwater conservation districts in GMA 14.

In 2015, dissatisfied with the production limits Lone Star created through the rulemaking authority delegated to it by the Texas Legislature, a group of large water producers filed suit claiming that the rules Lone Star created imposing per-producer yearly production limits on their production of groundwater were invalid because they purported to regulate the production of groundwater in ways the Texas Legislature never authorized. On October 2, 2018, the 284th District Court of Montgomery County, ruled that, as a matter of law, the core groundwater regulation, which Lone Star imposed on large groundwater producers, is outside of Lone Star's authority under the Texas Water Code and is not valid. Under the ruling, Lone Star could appeal directly to the Beaumont Court of Appeals for review of the decision. However, at the Lone Star board meeting held on January 23, 2019, the board announced that they unanimously agreed on a settlement offer with the large water producers, but the specifics of the settlement will not be made public until all parties have reviewed and signed it. As a result of the District Court's ruling on October 2, 2018, Lone Star adopted new groundwater regulations on September 8, 2020, that repeal, supersede and replace all previously adopted rules and regulatory plans of Lone Star.

On January 6, 2022, the GMA 14 regional regulatory representative of the TWDB approved the proposed groundwater conservation regulatory goals of Lone Star. The adopted desired future condition ("DFC") provides "[i]n each county in GMA 14, no less than 70 percent median available drawdown remaining in 2080 or no more than an average of 1.0 additional foot of subsidence between 2009 and 2080." The next DFC will be completed no later than January 5, 2027. As a result of the approval on January 6, 2022, Lone Star expects to finalize a multi-phased subsidence study to research and determine how to manage subsidence countywide most effectively and to make a strategic plan to manage subsidence going forward.

San Jacinto River Authority GRP Agreement

In response to the Conservation District requirements, the San Jacinto River Authority ("SJRA") expressed a willingness to assume responsibility to construct and operate a surface water treatment plant at or near Lake Conroe, a large manmade lake in the County, and a water transmission system to major populated areas of the County, thus enabling the entire County to comply with the Conservation District requirements.

SJRA offered to enter into a contract for groundwater reduction planning, alternative water supply, and related goods and services (the "GRP Contract") with all large water users in Montgomery County to achieve the goals for reduction of groundwater pumpage for the entire County. Approximately 149 larger volume water users in the County, including the Master District, approved and entered into the GRP Contract (collectively the "GRP Affiliates") and are in compliance with SJRA and Conservation District requirements applicable to groundwater pumpage from the Master District's well.

Pursuant to the GRP Contract, SJRA will develop, implement and enforce a groundwater reduction plan ("GRP") covering all GRP Affiliates to achieve and maintain compliance with the Conservation District requirements. The initial focus of the GRP will be the design and construction of a surface water treatment and transmission system (the "Project") to be owned and operated by SJRA for the benefit of all GRP Affiliates.

The SJRA will design, permit, finance, construct, own, operate, and maintain the Project, and the Project will be constructed in phases. A group compliance approach will be utilized. Certain large volume GRP Affiliates may be wholly-converted to treated surface water, while other users may continue to use groundwater. This approach is expected to minimize overall Project cost, equalize costs for GRP Affiliates, and avoid geographic advantages and disadvantages.

All GRP Affiliates will pay a monthly groundwater pumpage fee for groundwater pumped from wells. The pumpage fee shall be set so that GRP Affiliates are neither benefitted nor penalized for utilizing groundwater and allowances will be made for GRP Participant costs of operating and maintaining their wells.

GRP Affiliates that receive treated surface water from the Project will pay the prevailing rate for water. Such rate will be set so the GRP Affiliates are neither benefitted nor penalized for being required to take water from the Project under the GRP and allowances will be made for GRP Participant costs of operating on-site water facilities, as well as operating and maintaining their wells. The pumpage fees and water service fees received from the Project will be comparable so that all GRP Affiliates will be paying equivalent charges without preference for customers within or outside the areas converted to surface water.

SJRA has and will issue bonds to finance the capital costs of the Project, and groundwater pumpage fees and water service fees will be used to cover costs of debt service on such bonds. SJRA has created a new, separate, non-treated surface water system for substantially all of Montgomery County. The direct costs to SJRA's groundwater reduction plan division for the first phase of such conversion to surface water sources are currently estimated to be approximately $500,000,000, which will be paid for through pumpage fees charged to the participants. The SJRA pumpage fees are currently $2.67 per 1,000 gallons of water pumped from wells and the Master District will pay the pumpage fees based upon the amount of water it pumps each month.

The Master District passes these pumpage fees and Conservation District fees on to each of the Tavola MUDs, which in turn pass these costs to their customers.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

Riverine (or Fluvial) Flood. Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Potential Impact of Natural Disaster

The District is located approximately 60 miles from the Texas Gulf Coast and, as it has in the past, could be impacted by high winds, heavy rains, and flooding caused by hurricane, tornado, tropical storm, or other adverse weather event. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value in the District or an increase in the District's tax rates. See "TAXING PROCEDURES – Valuation of Property for Taxation."

There can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District are adversely affected.

Potential Effects of Oil Price Declines on the Houston Area

The recent fluctuations in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston, Texas area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston, Texas area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms, hurricanes, tornadoes, flooding, and other natural disasters. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast. The Houston area, including Fort Bend County, Texas, sustained widespread rain damage and flooding as a result of Hurricane Harvey's landfall, and historic levels of rainfall during the succeeding four days.

According to the Engineer, the District's water, sanitary sewer, and drainage facilities sustained no damage as a result of Hurricane Harvey, and there was no interruption of water and sewer service. Furthermore, according to the Engineer, there were no structures in the District that experienced flooding or structural damage. The District cannot predict the effect that additional extreme weather events may have upon the District and the Gulf Coast. Additional extreme weather events have the potential to cause damage within the District and along the Gulf Coast generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region. See "TAXING PROCEDURES – Valuation of Property for Taxation."

If a future weather event or natural disaster significantly damaged taxable property within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

National Weather Service Atlas 14 Rainfall Study

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

Competitive Nature of Houston Residential Housing Market

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

Location and Access: The District is located approximately 30 miles northeast from the central business district of the City of Houston, Texas. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "DEVELOPMENT WITHIN THE DISTRICT."

Increase in Costs of Building Materials

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

Changes in Tax Legislation

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

Bond Insurance Risk Factors

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

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

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the bond insurer and its claim paying ability. The bond 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 bond insurer and of the ratings on the Bonds insured by the bond insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATINGS."

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

Neither the District or Initial Purchaser has made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond 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 bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

LEGAL MATTERS

Legal Opinions

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

In addition to serving as Bond Counsel, Coats Rose, P.C., also acts as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid Bond Counsel and Disclosure 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.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Coats Rose, P.C., Houston, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, except that such interest is taken into account in determining the annual adjusted financial statement of income of applicable corporations (as defined in section 59(k) of the Code) for the purpose of determining the alternative minimum tax imposed on corporations, and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

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

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

Collateral Federal Income Tax Consequences

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

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

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

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

State, Local and Foreign Taxes

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

Qualified Tax-Exempt Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed $10,000,000.

The District has designated the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2025 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2025.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the President and Secretary of the Board will, on behalf of the District, execute and deliver to the Initial Purchaser a certificate dated as of the Date of Delivery, to the effect that no litigation of any nature 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; affecting the provision made for the payment of or security for 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.

NO MATERIAL ADVERSE CHANGE

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system which is available at www.emma.msrb.org.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type under the headings "APPENDIX A," "DISTRICT DEBT," and "TAX DATA." The District will update and provide this information within six months after the end of each of its fiscal years.

Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six (6) month period, and audited financial statements when and if the audit report becomes available.

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 material 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 the United States Securities and Exchange Commission Role 15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or 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 the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

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

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if by only (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of such rule are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

Due to an administrative oversight, the District's Continuing Disclosure for the fiscal year ended May 31, 2022, was filed incorrectly. Such Continuing Disclosure was correctly filed later after the due date. Otherwise, the District has complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

OFFICIAL STATEMENT

General

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

The 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."

Experts

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

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

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

Certification as to the Official Statement

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

Updating the Official Statement

If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser. The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of East Montgomery County Municipal Utility District No. 6 as of the date specified on the first page hereof.

/s/ Chris Hazle
President, Board of Directors
East Montgomery County Municipal Utility District No. 6

ATTEST:

/s/ Kelvin Green
Secretary, Board of Directors
East Montgomery County Municipal Utility District No. 6

APPENDIX A

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT

East Montgomery County Municipal Utility District No. 6

Montgomery County, Texas

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

May 31, 2025

East Montgomery County Municipal Utility District No. 6
Contents
May 31, 2025

Forvis Mazars, LLP
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Independent Auditor's Report

Board of Directors
East Montgomery County Municipal Utility District No. 6
Montgomery County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of East Montgomery County Municipal Utility District No. 6 (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 10, 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	$ 8,263,866	$ 7,595,673
Capital assets	17,143,655	15,951,897
Total assets	$ 25,407,521	$ 23,547,570
Long-term liabilities	$ 42,998,895	$ 38,881,614
Other liabilities	1,802,001	1,556,810
Total liabilities	44,800,896	40,438,424
Net position		
Net investment in capital assets	(6,025,751)	(5,666,549)
Restricted	3,040,267	2,683,295
Unrestricted	(16,407,891)	(13,907,600)
Total net position	$ (19,393,375)	$ (16,890,854)

The total net position of the District decreased by $2,502,521, or about 15%. The majority of the decrease in net position is related to the conveyance of capital assets to another governmental entity for maintenance and ownership. 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	$ 5,145,093	$ 4,638,488
Charges for services	1,728,305	1,910,439
Other revenues	436,100	282,857
Total revenues	7,309,498	6,831,784
Expenses		
Services	2,947,987	2,544,234
Conveyance of capital assets	2,501,463	1,184,153
Depreciation	420,543	420,544
Debt service	3,942,026	3,458,534
Total expenses	9,812,019	7,607,465
Change in net position	(2,502,521)	(775,681)
Net position, beginning of year	(16,890,854)	(16,115,173)
Net position, end of year	$ (19,393,375)	$ (16,890,854)

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 $7,514,192, an increase of $377,750 from the prior year.

The general fund's fund balance decreased by $12,645 primarily due to service operations expenditures exceeding property taxes and services revenues and investment income.

The debt service fund's fund balance increased by $344,292 due to property tax revenues, investment income, and general obligation bond proceeds exceeding bond principal and interest requirements and contractual obligation expenditures.

The capital projects fund's fund balance increased by $46,103 due to net proceeds from the sale of bonds exceeding capital outlay expenditures and debt issuance costs.

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 water and sewer service and regional water fee revenues being lower than anticipated and property tax revenues and purchased services, contracted services, and repairs and maintenance expenditures being higher than anticipated. In addition, debt issuance costs and interfund transfers in were not budgeted. The fund balance as of May 31, 2025 was expected to be $3,001,862, and the actual end-of-year fund balance was $2,951,859.

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 (Net of Accumulated Depreciation)

	2025	2024
Land and improvements	$ 1,612,301	$ -
Water facilities	2,515,504	2,583,650
Wastewater facilities	4,835,117	4,966,952
Drainage facilities	8,180,733	8,401,295
Total capital assets	$ 17,143,655	$ 15,951,897

During the current year, additions to capital assets were as follows:

156.196-acre tract to serve detention Reserve A	$ 1,612,301

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	$ 38,881,614
Increases in long-term debt	5,197,089
Decreases in long-term debt	(1,079,808)
Long-term debt payable, end of year	$ 42,998,895

At May 31, 2025, the District had $13,799,262 of tax bonds authorized, but unissued, for the purpose of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District; $15,000,000 of tax recreational facilities bonds authorized, but unissued, for constructing parks and recreational facilities within the District; and $33,513,172 of tax road bonds authorized, but unissued, for the purpose of constructing and paving roads within the District.

The District's bonds carry an underlying rating of "Baa2" from Moody's Investors Service (Moody's). The Series 2018, Road Series 2022, and Road Series 2025 bonds carry a "AA" rating from Standard & Poor's (S&P) by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2020, Road Series 2020, Series 2021, Series 2023, Road Series 2023, and Series 2024 bonds carry a "AA" rating from S&P and an "A1" rating from Moody's by virtue of bond insurance issued by Assured Guaranty Inc.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

East Montgomery County Municipal Utility District No. 6
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	$ 154,960	$ 310,497	$ 105,115	$ 570,572	$ -	$ 570,572
Certificates of deposit	1,800,000	350,000	-	2,150,000	-	2,150,000
Short-term investments	730,028	3,545,599	381,975	4,657,602	-	4,657,602
Receivables						
Property taxes	24,324	239,948	-	264,272	-	264,272
Service accounts	176,297	-	-	176,297	-	176,297
Accrued penalty and interest	-	-	-	-	51,409	51,409
Accrued interest	20,749	4,129	-	24,878	-	24,878
Interfund receivables	124,081	-	-	124,081	(124,081)	-
Operating reserve	368,836	-	-	368,836	-	368,836
Capital assets (net of accumulated depreciation)						
Land and improvements	-	-	-	-	1,612,301	1,612,301
Infrastructure	-	-	-	-	15,531,354	15,531,354
Total Assets	$ 3,399,275	$ 4,450,173	$ 487,090	$ 8,336,538	$ 17,070,983	$ 25,407,521

East Montgomery County Municipal Utility District No. 6
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2025 (Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 293,181	$ 10,901	$ -	$ 304,082	$ -	$ 304,082
Accrued interest payable	-	-	-	-	364,333	364,333
Customer deposits	129,911	-	-	129,911	-	129,911
Due to others	-	-	-	-	1,003,675	1,003,675
Interfund payables	-	73,694	50,387	124,081	(124,081)	-
Long-term liabilities						
Due within one year	-	-	-	-	1,265,000	1,265,000
Due after one year	-	-	-	-	41,733,895	41,733,895
Total Liabilities	423,092	84,595	50,387	558,074	44,242,822	44,800,896
Deferred Inflows of Resources						
Deferred property tax revenues	24,324	239,948	-	264,272	(264,272)	-
Fund Balances/Net Position						
Fund balances						
Restricted						
Unlimited tax bonds	-	2,678,740	-	2,678,740	(2,678,740)	-
Unlimited tax road bonds	-	1,446,890	-	1,446,890	(1,446,890)	-
Water, sewer, and drainage	-	-	436,603	436,603	(436,603)	-
Roads	-	-	100	100	(100)	-
Assigned, operating reserve	368,836	-	-	368,836	(368,836)	-
Unassigned	2,583,023	-	-	2,583,023	(2,583,023)	-
Total Fund Balances	2,951,859	4,125,630	436,703	7,514,192	(7,514,192)	-
Total Liabilities, Deferred Outflows of Resources, and Fund Balances	$ 3,399,275	$ 4,450,173	$ 487,090	$ 8,336,538		
Net position						
Net investment in capital assets					(6,025,751)	(6,025,751)
Restricted for debt service					2,982,873	2,982,873
Restricted for capital projects					57,394	57,394
Unrestricted					(16,407,891)	(16,407,891)
Total net position					$ (19,393,375)	$ (19,393,375)

East Montgomery County Municipal Utility District No. 6
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	$ 467,494	$ 4,531,202	$ -	$ 4,998,696	$ 146,397	$ 5,145,093
Water service	328,059	-	-	328,059	-	328,059
Sewer service	768,892	-	-	768,892	-	768,892
Regional water fee	426,381	-	-	426,381	-	426,381
Security service	204,973	-	-	204,973	-	204,973
Penalty and interest	20,191	59,866	-	80,057	51,409	131,466
Tap connection and inspection fees	27,295	-	-	27,295	-	27,295
Investment income	114,223	142,658	20,458	277,339	-	277,339
Total Revenues	2,357,508	4,733,726	20,458	7,111,692	197,806	7,309,498
Expenditures/Expenses						
Service operations						
Purchased services	1,513,657	-	-	1,513,657	-	1,513,657
Professional fees	81,597	14,211	-	95,808	-	95,808
Contracted services	624,313	49,499	-	673,812	-	673,812
Utilities	3,789	-	-	3,789	-	3,789
Repairs and maintenance	48,036	-	-	48,036	500,939	548,975
Other expenditures	106,797	5,149	-	111,946	-	111,946
Capital outlay	-	-	4,682,082	4,682,082	(4,682,082)	-
Conveyance of capital assets	-	-	-	-	2,501,463	2,501,463
Depreciation	-	-	-	-	420,543	420,543
Debt service						
Principal retirement	-	1,110,000	-	1,110,000	(1,110,000)	-
Interest and fees	-	1,402,454	-	1,402,454	113,899	1,516,353
Debt issuance costs	14,464	-	400,756	415,220	-	415,220
Contractual obligation	-	1,874,227	-	1,874,227	136,226	2,010,453
Total Expenditures/Expenses	2,392,653	4,455,540	5,082,838	11,931,031	(2,119,012)	9,812,019
Excess (Deficiency) of Revenues Over Expenditures	(35,145)	278,186	(5,062,380)	(4,819,339)	2,316,818	
Other Financing Sources (Uses)						
Interfund transfers in (out)	22,500	-	(22,500)	-	-	
General obligation bonds issued	-	66,106	5,283,894	5,350,000	(5,350,000)	
Discount on debt issued	-	-	(152,911)	(152,911)	152,911	
Total Other Financing Sources	22,500	66,106	5,108,483	5,197,089	(5,197,089)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(12,645)	344,292	46,103	377,750	(377,750)	
Change in Net Position					(2,502,521)	(2,502,521)
Fund Balances/Net Position						
Beginning of year	2,964,504	3,781,338	390,600	7,136,442	-	(16,890,854)
End of year	$ 2,951,859	$ 4,125,630	$ 436,703	$ 7,514,192	$ -	$ (19,393,375)

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

East Montgomery County Municipal Utility District No. 6 (District) was created by House Bill Number 3546 (Bill) of the 79th Legislature of the State of Texas, effective May 12, 2007, in accordance with the provisions of Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District. The District also provides solid waste disposal service.

The District is governed by a Board of Directors (Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. 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 that 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 taxes, charges for services, and intergovernmental revenues. 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, which 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 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, 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 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

Capital assets, which include property, plant, equipment, and infrastructure, 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.

Within Montgomery County, the county government assumes the maintenance and other incidents of ownership of most road and paving facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Drainage facilities	10–45 years
Park and recreational facilities	10–30 years

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. Bond premiums and discounts are recognized as a liability or asset, respectively, 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:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$ 17,143,655
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	264,272
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	51,409
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(364,333)
Amounts due to others are not due and payable in the current period and are not reported in the funds.	(1,003,675)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	(42,998,895)
Adjustment to fund balances to arrive at net position.	$ (26,907,567)

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 changes in fund balances because:

Change in fund balances.	$ 377,750
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded noncapitalized costs, conveyance of capital assets, and depreciation expense in the current year.	1,259,137
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.	152,911
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.	(4,240,000)
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	197,806

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.	$ (250,125)
Change in net position of governmental activities.	$ (2,502,521)

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.

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," certificates of deposit of financial institutions domiciled in Texas, 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 TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. The District's investments in TexPool are reported at amortized cost.

At May 31, 2025, the District had the following investments and maturities:

		Maturities in Years			
Type	**Amortized Cost**	**Less Than 1**	**1–5**	**6–10**	**More Than 10**
TexPool	$ 4,657,602	$ 4,657,602	$ -	$ -	$ -

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 TexPool 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 at May 31, 2025 as follows:

Carrying value	
Deposits	$ 2,720,572
Investments	4,657,602
Total	$ 7,378,174

Included in the following statement of net position captions:

Cash	$ 570,572
Certificates of deposit	2,150,000
Short-term investments	4,657,602
Total	$ 7,378,174

Investment Income

Investment income of $277,339 for the year ended May 31, 2025 consisted of interest income.

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	$ -	$ 1,612,301	$ 1,612,301
Capital assets, depreciable			
Water production and distribution facilities	3,033,498	-	3,033,498
Wastewater collection and treatment facilities	5,863,589	-	5,863,589
Drainage facilities	9,810,817	-	9,810,817
Total capital assets, depreciable	18,707,904	-	18,707,904

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Balances, End of Year
Less accumulated depreciation			
Water production and distribution facilities	$ (449,848)	$ (68,146)	$ (517,994)
Wastewater collection and treatment facilities	(896,637)	(131,835)	(1,028,472)
Drainage facilities	(1,409,522)	(220,562)	(1,630,084)
Total accumulated depreciation	(2,756,007)	(420,543)	(3,176,550)
Total governmental activities, net	$ 15,951,897	$ 1,191,758	$ 17,143,655

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	$ 39,830,000	$ 5,350,000	$ 1,110,000	$ 44,070,000	$ 1,265,000
Less discounts on bonds	948,386	152,911	30,192	1,071,105	-
Total governmental activities long-term liabilities	$ 38,881,614	$ 5,197,089	$ 1,079,808	$ 42,998,895	$ 1,265,000

General Obligation Bonds

	Series 2017	Series 2018
Amounts outstanding, May 31, 2025	$1,700,000	$1,990,000
Interest rates	1.75% to 4.00%	3.00% to 5.50%
Maturity dates, serially beginning/ending	September 1, 2025/2042	September 1, 2025/2043
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2024	September 1, 2023

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

	Series 2020	Road Series 2020
Amounts outstanding, May 31, 2025	$6,160,000	$3,990,000
Interest rates	2.00% to 4.00%	2.00% to 4.50%
Maturity dates, serially beginning/ending	September 1, 2025/2044	September 1, 2025/2045
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2025	September 1, 2025
	Series 2021	**Road Series 2022**
Amounts outstanding, May 31, 2025	$5,765,000	$6,660,000
Interest rates	2.00% to 2.25%	4.00% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2025/2045	September 1, 2025/2046
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2027	September 1, 2029
	Series 2023	**Road Series 2023**
Amounts outstanding, May 31, 2025	$5,145,000	$7,310,000
Interest rates	4.00% to 5.00%	4.00% to 6.50%
Maturity dates, serially beginning/ending	September 1, 2025/2047	September 1, 2025/2048
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	May 1, 2028	September 1, 2029
	Series 2024	**Road Series 2025**
Amounts outstanding, May 31, 2025	$2,500,000	$2,850,000
Interest rates	3.50% to 4.00%	4.00% to 6.00%
Maturity dates, serially beginning/ending	September 1, 2025/2049	September 1, 2026/2050
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2030	September 1, 2030

*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	$ 1,265,000	$ 1,517,526	$ 2,782,526
2027	1,415,000	1,491,021	2,906,021
2028	1,465,000	1,434,425	2,899,425
2029	1,505,000	1,377,940	2,882,940
2030	1,550,000	1,321,806	2,871,806
2031–2035	8,490,000	5,758,141	14,248,141
2036–2040	9,865,000	4,271,790	14,136,790
2041–2045	11,415,000	2,467,651	13,882,651
2046–2050	6,990,000	618,937	7,608,937
2051	110,000	2,613	112,613
Total	$ 44,070,000	$ 20,261,850	$ 64,331,850

Bonds voted on May 10, 2014	
Water, sewer, and drainage facilities	$ 39,104,262
Park and recreational facilities	15,000,000
Road and paving facilities	55,148,172
Bonds issued	
Water, sewer, and drainage facilities	25,305,000
Road and paving facilities	21,635,000

Note 5. Significant Bond Order and Commission Requirements

(A) The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended May 31, 2025, the District levied an ad valorem debt service tax at the rate of $0.3400 per $100 of assessed valuation, which resulted in a tax levy of $1,486,349 on the taxable valuation of $437,161,507 for the 2024 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $1,504,470, of which $345,047 has been paid and $1,159,423 is due September 1, 2025.

(B) 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 $0.2700 per $100 of assessed valuation, which resulted in a tax levy of $1,180,336 on the taxable valuation of $437,161,507 for the 2024 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $1,224,887, of which $361,397 has been paid and $863,490 is due September 1, 2025.

(C) In accordance with the Road Series 2023 and Road Series 2025 Bond Orders, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest during the construction period. The bond interest reserve is reduced as the interest is paid.

Bond interest reserve, beginning of year	$ 26,894
Additions – Interest appropriated from Road Series 2025	66,106
Deductions – Appropriation from bond interest paid, Road Series 2023	(26,894)
Bond interest reserve, end of year	$ 66,106

(D) During the year ended May 31, 2025, the District transferred $22,500 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6. Maintenance Taxes

At an election held May 12, 2007, voters authorized a maintenance tax not to exceed $1.50 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 $0.1100 per $100 of assessed valuation, which resulted in a tax levy of $480,878 on the taxable valuation of $437,161,507 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held May 10, 2014, voters authorized a road maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2025, the District did not levy an ad valorem road maintenance tax for the 2024 tax year. The road maintenance tax, if levied, will be used by the general fund to pay expenditures for the operation and maintenance of certain roads within the District.

At an election held May 10, 2014, voters authorized a recreational facilities maintenance tax not to exceed $0.10 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2025, the District did not levy an ad valorem recreational facilities maintenance tax for the 2024 tax year. The recreational facilities maintenance tax, if levied, will be used by the general fund to pay expenditures for the operation and maintenance of recreational facilities within the District.

Note 7. Contract Taxes

At an election held May 12, 2007, voters authorized a contract tax on all property within the District subject to taxation. During the year ended May 31, 2025, the District levied an ad valorem contract tax at the rate of $0.4500 per $100 of assessed valuation, which resulted in a tax levy of $1,967,227 on the taxable valuation of $437,161,507 for the 2024 tax year. This contract tax is used to pay for its pro rata share of the principal and interest on the District's contract revenue bonds as described in Note 8.

Note 8. Financing and Operation of Regional Facilities

On May 18, 2007, amended August 6, 2014, the District entered into a regional contract with East Montgomery County Municipal Utility District No. 7 (District No. 7), whereby District No. 7 will act as a master district and provide, or cause to be provided, the regional water supply and delivery facilities and the regional waste collection, treatment, and disposal facilities, as well as drainage, parks, major thoroughfares, and other services and facilities permitted by law, necessary to serve the District. On October 1, 2015, the District approved an Assignment and Assumption of Contract whereby District No. 7 assigned its right, title, and interest in the regional facilities contract to East Montgomery County Municipal Utility District No. 5 (District No. 5).

Under the terms of the regional contract, which is in effect for 50 years, monthly operating charges will be determined by dividing the total number of equivalent single-family residential connections for all participants by the number of equivalent single-family residential connections for the District, as of the first day of the month, and then multiplying that share by the actual expenses. The District incurred $1,513,657 of operating costs attributable to this contract for the year ended May 31, 2025. District No. 5 is to maintain an operation and maintenance reserve equivalent to three months of budgeted operation and maintenance expenses. The District has contributed $368,836 for its share of the operation and maintenance reserve.

In addition, District No. 5 is authorized to issue master district bonds sufficient for the acquisition, construction, or improvement of regional facilities as needed to serve all participants. Each participant is obligated to pay its pro rata share of the debt service requirements on the master district bonds.

Note 9. Regional Water Authority

The District is within the boundaries of the Lone Star Groundwater Conservation District (Conservation District), which was created by the Texas Legislature. The Conservation District was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal.

Note 10. Groundwater Reduction Agreement

District No. 5 has entered into a Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services (GRP Contract) with the San Jacinto River Authority (Authority) in order to meet the Conservation District’s requirements. As a participant in the Authority’s Groundwater Reduction Plan, the District has complied with all current Conservation District requirements for surface water conversion and is obligated to pay to the Authority a groundwater withdrawal fee for all groundwater produced and used by the District and will be required to pay a water purchase fee for any water actually purchased from the Authority in the future. As of May 31, 2025, the Authority was billing District No. 5 $2.67 per 1,000 gallons of water pumped. This amount is subject to future increases.

Note 11. 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.

Required Supplementary Information

East Montgomery County Municipal Utility District No. 6
Budgetary Comparison Schedule – General Fund
Year Ended May 31, 2025

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 219,000	$ 467,494	$ 248,494
Water service	392,000	328,059	(63,941)
Sewer service	798,000	768,892	(29,108)
Regional water fee	551,000	426,381	(124,619)
Security service	216,000	204,973	(11,027)
Penalty and interest	24,000	20,191	(3,809)
Tap connection and inspection fees	21,500	27,295	5,795
Investment income	130,000	114,223	(15,777)
Other income	600	-	(600)
Total Revenues	2,352,100	2,357,508	5,408
Expenditures			
Service operations			
Purchased services	1,475,345	1,513,657	(38,312)
Professional fees	89,500	81,597	7,903
Contracted services	607,000	624,313	(17,313)
Utilities	4,000	3,789	211
Repairs and maintenance	32,500	48,036	(15,536)
Other expenditures	106,397	106,797	(400)
Debt service, debt issuance costs	-	14,464	(14,464)
Total Expenditures	2,314,742	2,392,653	(77,911)
Excess (Deficiency) of Revenues Over Expenditures	37,358	(35,145)	(72,503)
Other Financing Sources			
Interfund transfers in	-	22,500	22,500
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	37,358	(12,645)	(50,003)
Fund Balance, Beginning of Year	2,964,504	2,964,504	-
Fund Balance, End of Year	$ 3,001,862	$ 2,951,859	$ (50,003)

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 11–22

[X] Schedule of Services and Rates

[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 – Five Years

[X] Board Members, Key Personnel, and Consultants

East Montgomery County Municipal Utility District No. 6
Schedule of Services and Rates
Year Ended May 31, 2025

1. Services provided by the District

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

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

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 12.00	5,000	N	$ 2.50	5,001	to	10,000
				$ 2.70	10,001	to	15,000
				$ 2.90	15,001	to	20,000
				$ 3.05	20,001	to	30,000
				$ 4.00	30,001	to	No Limit
Wastewater:	$ 20.00	10,000	N	$ 2.25	10,001	to	No Limit
Regional water fee:	$ 2.94	1,000	N	$ 2.94	1,001	to	No Limit
Garbage:	$ 25.94	N/A	Y				
Law enforcement fee:	$ 13.00	N/A	Y				

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 57.40 Wastewater $ 20.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	1,308	1,305	x1.0	1,305
1"	9	8	x2.5	20
1 1/2"	-	-	x5.0	-
2"	10	10	x8.0	80
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	1,329	1,325		1,510
Total wastewater	1,310	1,306	x1.0	1,306

3. Total water consumption (in thousands) during the fiscal year

Gallons pumped into the system:	135,841
Gallons billed to customers:	135,841
Water accountability ratio (gallons billed/gallons pumped):	100.00%

*"ESFC" means equivalent single-family connections

East Montgomery County Municipal Utility District No. 6
Schedule of General Fund Expenditures
Year Ended May 31, 2025

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 24,500	
Legal	33,020	
Engineering	24,077	
Financial advisor	-	81,597
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,513,657
Regional Water Authority		-
Contracted Services		
Bookkeeping	12,644	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	205,064	
Other contracted services	19,830	237,538
Utilities		3,789
Repairs and Maintenance		48,036
Administrative Expenditures		
Directors' fees	8,177	
Office supplies	-	
Insurance	3,095	
Other administrative expenditures	95,525	106,797
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	-	-
Tap Connection Expenditures		-
Solid Waste Disposal		386,775
Fire Fighting		-
Parks and Recreation		-
Debt Service Expenditures		14,464
Total Expenditures		$ 2,392,653

East Montgomery County Municipal Utility District No. 6
Schedule of Temporary Investments
May 31, 2025

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificate of Deposit				
No. 66001080	4.25%	02/21/26	$ 1,800,000	$ 20,749
TexPool	4.33%	Demand	730,028	-
			2,530,028	20,749
Debt Service Fund				
Certificate of Deposit				
No. 66001079	4.35%	08/22/25	350,000	4,129
TexPool	4.33%	Demand	1,226,737	-
TexPool	4.33%	Demand	1,446,890	-
TexPool	4.33%	Demand	871,972	-
			3,895,599	4,129
Capital Projects Fund				
TexPool	4.33%	Demand	381,975	-
Totals			$ 6,807,602	$ 24,878

East Montgomery County Municipal Utility District No. 6
Analysis of Taxes Levied and Receivable
Year Ended May 31, 2025

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes	Contract Taxes
Receivable, Beginning of Year	$ 10,506	$ 34,614	$ 28,420	$ 44,335
Additions and corrections to prior years' taxes	434	9,564	8,325	11,980
Adjusted Receivable, Beginning of Year	10,940	44,178	36,745	56,315
2024 Original Tax Levy	440,550	1,361,700	1,081,350	1,802,250
Additions and corrections	40,328	124,649	98,986	164,977
Adjusted tax levy	480,878	1,486,349	1,180,336	1,967,227
Total to Be Accounted For	491,818	1,530,527	1,217,081	2,023,542
Tax collections: Current year	(464,491)	(1,435,700)	(1,140,115)	(1,900,192)
Prior years	(3,003)	(17,600)	(15,273)	(22,322)
Receivable, End of Year	$ 24,324	$ 77,227	$ 61,693	$ 101,028
Receivable, by Years				
2024	$ 16,387	$ 50,649	$ 40,221	$ 67,035
2023	3,288	21,221	18,531	26,900
2022	3,239	3,651	2,415	4,711
2021	516	867	206	970
2020	854	827	320	1,361
2019	40	12	-	51
Receivable, End of Year	$ 24,324	$ 77,227	$ 61,693	$ 101,028

	2025	2024	2023	2022
Property Valuations				
Land	$ 84,773,740	$ 84,104,983	$ 78,133,680	$ 52,398,920
Improvements	430,787,609	379,471,500	299,715,560	193,081,070
Personal property	889,523	882,190	497,404	1,166,703
Exemptions	(79,289,365)	(67,941,516)	(61,300,208)	(18,766,152)
Total Property Valuations	$ 437,161,507	$ 396,517,157	$ 317,046,436	$ 227,880,541
Tax Rates Per $100 Valuation				
Contract tax rates	$ 0.4500	$ 0.4500	$ 0.4000	$ 0.4700
Debt service tax rates	0.3400	0.3550	0.3100	0.4200
Road debt service tax rates	0.2700	0.3100	0.2050	0.1000
Maintenance tax rates*	0.1100	0.0550	0.2750	0.2500
Total Tax Rates Per $100 Valuation	$ 1.1700	$ 1.1700	$ 1.1900	$ 1.2400
Tax Levy	$ 5,114,790	$ 4,639,251	$ 3,772,852	$ 2,825,718
Percent of Taxes Collected to Taxes Levied**	97%	99%	99%	99%

*Maximum tax rate approved by voters: $1.50 on May 12, 2007
**Calculated as taxes collected for a tax year divided by taxes levied for that tax year

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

	Series 2017		
Due During Fiscal Years Ending May 31	**Principal Due September 1**	**Interest Due September 1, March 1**	**Total**
2026	$ 65,000	$ 60,076	$ 125,076
2027	70,000	58,100	128,100
2028	70,000	56,000	126,000
2029	75,000	53,750	128,750
2030	80,000	51,230	131,230
2031	80,000	48,550	128,550
2032	85,000	45,745	130,745
2033	85,000	42,813	127,813
2034	90,000	39,750	129,750
2035	95,000	36,465	131,465
2036	100,000	32,955	132,955
2037	100,000	29,355	129,355
2038	105,000	25,613	130,613
2039	110,000	21,635	131,635
2040	115,000	17,300	132,300
2041	120,000	12,600	132,600
2042	125,000	7,700	132,700
2043	130,000	2,600	132,600
Totals	$ 1,700,000	$ 642,237	$ 2,342,237

Due During Fiscal Years Ending May 31	Series 2018 Principal Due September 1	Interest Due September 1, March 1	Total
2026	$ 70,000	$ 69,300	$ 139,300
2027	75,000	65,594	140,594
2028	75,000	62,687	137,687
2029	80,000	60,363	140,363
2030	85,000	57,887	142,887
2031	85,000	55,338	140,338
2032	90,000	52,656	142,656
2033	95,000	49,706	144,706
2034	100,000	46,475	146,475
2035	105,000	43,016	148,016
2036	105,000	39,406	144,406
2037	110,000	35,644	145,644
2038	115,000	31,706	146,706
2039	120,000	27,518	147,518
2040	125,000	23,078	148,078
2041	130,000	18,375	148,375
2042	135,000	13,407	148,407
2043	140,000	8,250	148,250
2044	150,000	2,812	152,812
Totals	$ 1,990,000	$ 763,218	$ 2,753,218

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025

(Continued)

Due During Fiscal Years Ending May 31	Series 2020 Principal Due September 1	Series 2020 Interest Due September 1, March 1	Total
2026	$ 210,000	$ 149,425	$ 359,425
2027	215,000	143,075	358,075
2028	230,000	138,625	368,625
2029	235,000	133,975	368,975
2030	240,000	129,225	369,225
2031	255,000	124,275	379,275
2032	260,000	119,125	379,125
2033	275,000	113,775	388,775
2034	280,000	107,875	387,875
2035	290,000	101,463	391,463
2036	305,000	94,769	399,769
2037	320,000	87,538	407,538
2038	330,000	79,200	409,200
2039	340,000	69,988	409,988
2040	355,000	60,431	415,431
2041	370,000	50,462	420,462
2042	385,000	40,081	425,081
2043	400,000	29,287	429,287
2044	425,000	17,943	442,943
2045	440,000	6,050	446,050
Totals	$ 6,160,000	$ 1,796,587	$ 7,956,587

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 **(Continued)**

	Road Series 2020		
Due During Fiscal Years Ending May 31	**Principal Due September 1**	**Interest Due September 1, March 1**	**Total**
2026	$ 135,000	$ 97,750	$ 232,750
2027	140,000	92,613	232,613
2028	145,000	88,338	233,338
2029	150,000	83,913	233,913
2030	155,000	79,338	234,338
2031	160,000	74,613	234,613
2032	165,000	70,563	235,563
2033	170,000	67,212	237,212
2034	175,000	63,762	238,762
2035	180,000	60,100	240,100
2036	185,000	56,222	241,222
2037	190,000	52,119	242,119
2038	200,000	47,731	247,731
2039	205,000	43,046	248,046
2040	210,000	38,118	248,118
2041	220,000	32,875	252,875
2042	225,000	27,312	252,312
2043	235,000	21,562	256,562
2044	240,000	15,625	255,625
2045	250,000	9,500	259,500
2046	255,000	3,187	258,187
Totals	$ 3,990,000	$ 1,125,499	$ 5,115,499

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 **(Continued)**

	Series 2021		
Due During Fiscal Years Ending May 31	**Principal Due September 1**	**Interest Due September 1, March 1**	**Total**
2026	$ 205,000	$ 119,356	$ 324,356
2027	210,000	115,206	325,206
2028	220,000	110,906	330,906
2029	225,000	106,456	331,456
2030	230,000	101,906	331,906
2031	235,000	97,256	332,256
2032	245,000	92,456	337,456
2033	250,000	87,506	337,506
2034	255,000	82,456	337,456
2035	265,000	77,256	342,256
2036	270,000	71,906	341,906
2037	280,000	66,406	346,406
2038	285,000	60,756	345,756
2039	295,000	54,772	349,772
2040	300,000	48,263	348,263
2041	310,000	41,400	351,400
2042	320,000	34,313	354,313
2043	330,000	27,000	357,000
2044	335,000	19,519	354,519
2045	345,000	11,869	356,869
2046	355,000	3,994	358,994
Totals	$ 5,765,000	$ 1,430,958	$ 7,195,958

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 **(Continued)**

Due During Fiscal Years Ending May 31	Road Series 2022 Principal Due September 1	Interest Due September 1, March 1	Total
2026	$ 190,000	$ 268,744	$ 458,744
2027	200,000	258,994	458,994
2028	210,000	248,744	458,744
2029	220,000	239,094	459,094
2030	230,000	230,094	460,094
2031	235,000	220,794	455,794
2032	250,000	211,094	461,094
2033	260,000	200,894	460,894
2034	265,000	190,394	455,394
2035	280,000	179,494	459,494
2036	290,000	168,094	458,094
2037	300,000	156,294	456,294
2038	310,000	144,094	454,094
2039	325,000	131,394	456,394
2040	335,000	118,194	453,194
2041	345,000	104,593	449,593
2042	365,000	90,393	455,393
2043	375,000	75,593	450,593
2044	395,000	60,193	455,193
2045	405,000	44,193	449,193
2046	425,000	27,328	452,328
2047	450,000	9,281	459,281
Totals	$ 6,660,000	$ 3,377,984	$ 10,037,984

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 **(Continued)**

Due During Fiscal Years Ending May 31	Series 2023 Principal Due September 1	Series 2023 Interest Due September 1, March 1	Total
2026	$ 175,000	$ 209,563	$ 384,563
2027	180,000	200,688	380,688
2028	180,000	191,688	371,688
2029	180,000	182,688	362,688
2030	180,000	174,588	354,588
2031	185,000	167,288	352,288
2032	185,000	159,888	344,888
2033	185,000	152,488	337,488
2034	185,000	145,088	330,088
2035	185,000	137,688	322,688
2036	185,000	130,288	315,288
2037	185,000	122,887	307,887
2038	185,000	115,487	300,487
2039	190,000	107,987	297,987
2040	190,000	100,387	290,387
2041	190,000	92,787	282,787
2042	190,000	85,187	275,187
2043	190,000	77,587	267,587
2044	320,000	67,387	387,387
2045	345,000	54,087	399,087
2046	365,000	39,887	404,887
2047	385,000	24,646	409,646
2048	405,000	8,353	413,353
Totals	$ 5,145,000	$ 2,748,612	$ 7,893,612

East Montgomery County Municipal Utility District No. 6
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	$ 140,000	$ 343,963	$ 483,963
2027	150,000	334,538	484,538
2028	155,000	324,625	479,625
2029	160,000	314,388	474,388
2030	165,000	303,825	468,825
2031	180,000	292,612	472,612
2032	180,000	280,912	460,912
2033	185,000	269,050	454,050
2034	200,000	259,037	459,037
2035	200,000	251,038	451,038
2036	210,000	242,706	452,706
2037	220,000	233,838	453,838
2038	225,000	224,519	449,519
2039	235,000	214,744	449,744
2040	250,000	204,437	454,437
2041	255,000	193,547	448,547
2042	265,000	182,172	447,172
2043	275,000	170,359	445,359
2044	285,000	158,109	443,109
2045	300,000	145,125	445,125
2046	310,000	131,400	441,400
2047	575,000	111,487	686,487
2048	1,070,000	74,475	1,144,475
2049	1,120,000	25,200	1,145,200
Totals	$ 7,310,000	$ 5,286,106	$ 12,596,106

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 (Continued)

	Series 2024		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2026	$ 75,000	$ 96,150	$ 171,150
2027	60,000	93,450	153,450
2028	65,000	90,950	155,950
2029	65,000	88,350	153,350
2030	70,000	85,650	155,650
2031	70,000	82,850	152,850
2032	75,000	79,950	154,950
2033	75,000	76,950	151,950
2034	80,000	74,050	154,050
2035	85,000	71,163	156,163
2036	90,000	67,875	157,875
2037	90,000	64,275	154,275
2038	95,000	60,575	155,575
2039	100,000	56,675	156,675
2040	105,000	52,575	157,575
2041	110,000	48,275	158,275
2042	110,000	43,875	153,875
2043	115,000	39,375	154,375
2044	120,000	34,675	154,675
2045	125,000	29,775	154,775
2046	130,000	24,675	154,675
2047	140,000	19,275	159,275
2048	145,000	13,575	158,575
2049	150,000	8,050	158,050
2050	155,000	2,712	157,712
Totals	$ 2,500,000	$ 1,405,750	$ 3,905,750

East Montgomery County Municipal Utility District No. 6
Schedule of Long-Term Debt Service Requirements by Years
May 31, 2025 **(Continued)**

	Road Series 2025		
Due During Fiscal Years Ending May 31	**Principal Due September 1**	**Interest Due September 1, March 1**	**Total**
2026	$ -	$ 103,199	$ 103,199
2027	115,000	128,763	243,763
2028	115,000	121,862	236,862
2029	115,000	114,963	229,963
2030	115,000	108,063	223,063
2031	115,000	101,162	216,162
2032	115,000	95,412	210,412
2033	115,000	90,813	205,813
2034	115,000	86,212	201,212
2035	115,000	81,613	196,613
2036	115,000	77,012	192,012
2037	115,000	72,413	187,413
2038	115,000	67,812	182,812
2039	115,000	63,213	178,213
2040	115,000	58,540	173,540
2041	115,000	53,797	168,797
2042	115,000	48,981	163,981
2043	115,000	44,094	159,094
2044	115,000	39,062	154,062
2045	115,000	33,888	148,888
2046	115,000	28,712	143,712
2047	110,000	23,513	133,513
2048	110,000	18,287	128,287
2049	110,000	13,063	123,063
2050	110,000	7,837	117,837
2051	110,000	2,613	112,613
Totals	$ 2,850,000	$ 1,684,899	$ 4,534,899

East Montgomery County Municipal Utility District No. 6
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	$ 1,265,000	$ 1,517,526	$ 2,782,526
2027	1,415,000	1,491,021	2,906,021
2028	1,465,000	1,434,425	2,899,425
2029	1,505,000	1,377,940	2,882,940
2030	1,550,000	1,321,806	2,871,806
2031	1,600,000	1,264,738	2,864,738
2032	1,650,000	1,207,801	2,857,801
2033	1,695,000	1,151,207	2,846,207
2034	1,745,000	1,095,099	2,840,099
2035	1,800,000	1,039,296	2,839,296
2036	1,855,000	981,233	2,836,233
2037	1,910,000	920,769	2,830,769
2038	1,965,000	857,493	2,822,493
2039	2,035,000	790,972	2,825,972
2040	2,100,000	721,323	2,821,323
2041	2,165,000	648,711	2,813,711
2042	2,235,000	573,421	2,808,421
2043	2,305,000	495,707	2,800,707
2044	2,385,000	415,325	2,800,325
2045	2,325,000	334,487	2,659,487
2046	1,955,000	259,183	2,214,183
2047	1,660,000	188,202	1,848,202
2048	1,730,000	114,690	1,844,690
2049	1,380,000	46,313	1,426,313
2050	265,000	10,549	275,549
2051	110,000	2,613	112,613
Totals	$ 44,070,000	$ 20,261,850	$ 64,331,850

East Montgomery County Municipal Utility District No. 6
Changes in Long-Term Bonded Debt
Year Ended May 31, 2025

	Bond			
	Series 2017	**Series 2018**	**Series 2020**	**Road Series 2020**
Interest rates	1.75% to 4.00%	3.00% to 5.50%	2.00% to 4.00%	2.00% to 4.50%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2025/2042	September 1, 2025/2043	September 1, 2025/2044	September 1, 2025/2045
Bonds outstanding, beginning of current year	$ 1,765,000	$ 2,060,000	$ 6,360,000	$ 4,120,000
Bonds sold during the current year	-	-	-	-
Retirements, principal	65,000	70,000	200,000	130,000
Bonds outstanding, end of current year	$ 1,700,000	$ 1,990,000	$ 6,160,000	$ 3,990,000
Interest paid during current year	$ 61,880	$ 73,150	$ 157,625	$ 103,713

Paying agent's name and address

Series 2017	– Amegy Bank, a division of ZB, N.A., Houston, Texas
Series 2018	– Amegy Bank, a division of ZB, N.A., Houston, Texas
Series 2020	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2020 Road	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2021	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2022 Road	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2023	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2023 Road	– Zions Bancorporation, N.A., Amegy Bank Division, Houston, Texas
Series 2024	– Zions Bancorporation, N.A., Houston, Texas
Series 2025 Road	– Zions Bancorporation, N.A., Houston, Texas

Bond authority	**Tax Bonds**	**Recreational Bonds**	**Road Bonds**	**Refunding Bonds**
Amount authorized by voters	$ 139,000,000	$ 15,000,000	$ 118,000,000	$ - *
Amount of authorization cancelled by the attorney general	$ 99,895,738	$ -	$ 62,851,828	$ -
Amount issued	$ 25,305,000	$ -	$ 21,635,000	$ -
Remaining to be issued	$ 13,799,262	$ 15,000,000	$ 33,513,172	$ -

Debt service fund cash and temporary investment balances as of May 31, 2025:	$ 4,206,096
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,474,302

*Not to exceed 1 1/2 times previously issued bonds.

Issues

Series 2021	Road Series 2022	Series 2023	Road Series 2023	Series 2024	Road Series 2025	Totals
2.00% to 2.25%	4.00% to 5.00%	4.00% to 5.00%	4.00% to 6.50%	3.50% to 4.00%	4.00% to 6.00%	
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	
September 1, 2025/2045	September 1, 2025/2046	September 1, 2025/2047	September 1, 2025/2048	September 1, 2025/2049	September 1, 2026/2050	
$ 5,965,000	$ 6,845,000	$ 5,250,000	$ 7,465,000	$ -	$ -	$ 39,830,000
-	-	-	-	2,500,000	2,850,000	5,350,000
200,000	185,000	105,000	155,000	-	-	1,110,000
$ 5,765,000	$ 6,660,000	$ 5,145,000	$ 7,310,000	$ 2,500,000	$ 2,850,000	$ 44,070,000
$ 123,406	$ 278,119	$ 216,563	$ 353,550	$ 34,449	$ -	$ 1,402,455

East Montgomery County Municipal Utility District No. 6
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended May 31,

	Amounts				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	$ 467,494	$ 223,756	$ 863,426	$ 566,436	$ 660,549
Water service	328,059	386,687	338,685	278,804	236,508
Sewer service	768,892	790,787	734,338	537,551	441,972
Regional water fee	426,381	528,019	496,325	301,029	315,202
Security service	204,973	204,946	211,644	164,436	146,266
Penalty and interest	20,191	15,547	26,767	14,400	11,335
Tap connection and inspection fees	27,295	12,985	123,787	281,660	158,935
Investment income	114,223	129,411	64,840	1,647	8,532
Other income	-	-	-	24	-
Total Revenues	2,357,508	2,292,138	2,859,812	2,145,987	1,979,299
Expenditures					
Service operations					
Purchased services	1,513,657	1,666,697	1,464,484	1,062,635	817,898
Professional fees	81,597	67,095	62,784	58,406	46,926
Contracted services	624,313	604,267	586,124	447,103	350,850
Utilities	3,789	3,358	4,292	2,809	3,374
Repairs and maintenance	48,036	41,918	172,594	189,414	56,519
Other expenditures	106,797	100,801	119,220	77,873	81,556
Tap connections	-	-	71,635	133,474	62,230
Debt service, debt issuance costs	14,464	22,500	-	17,500	-
Total Expenditures	2,392,653	2,506,636	2,481,133	1,989,214	1,419,353
Excess (Deficiency) of Revenues Over Expenditures	(35,145)	(214,498)	378,679	156,773	559,946
Other Financing Sources					
Interfund transfers in	22,500	17,500	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(12,645)	(196,998)	378,679	156,773	559,946
Fund Balance, Beginning of Year	2,964,504	3,161,502	2,782,823	2,626,050	2,066,104
Fund Balance, End of Year	$ 2,951,859	$ 2,964,504	$ 3,161,502	$ 2,782,823	$ 2,626,050
Total Active Retail Water Connections	1,325	1,326	1,327	1,224	956
Total Active Retail Wastewater Connections	1,306	1,310	1,310	1,208	941

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
19.8 %	9.8 %	30.2 %	26.4 %	33.4 %
13.9	16.9	11.8	13.0	12.0
32.6	34.5	25.7	25.0	22.3
18.1	23.0	17.4	14.0	15.9
8.7	8.9	7.4	7.7	7.4
0.9	0.7	0.9	0.7	0.6
1.2	0.6	4.3	13.1	8.0
4.8	5.6	2.3	0.1	0.4
-	-	-	0.0	-
100.0	100.0	100.0	100.0	100.0
64.2	72.7	51.2	49.5	41.3
3.5	2.9	2.2	2.7	2.4
26.5	26.4	20.5	20.8	17.7
0.2	0.2	0.2	0.2	0.2
2.0	1.8	6.0	8.8	2.9
4.5	4.4	4.2	3.7	4.1
-	-	2.5	6.2	3.1
0.6	1.0	-	0.8	-
101.5	109.4	86.8	92.7	71.7
(1.5) %	(9.4) %	13.2 %	7.3 %	28.3 %

East Montgomery County Municipal Utility District No. 6
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended May 31,

	Amounts				
	2025	**2024**	**2023**	**2022**	**2021**
Debt Service Fund					
Revenues					
Property taxes	$ 4,531,202	$ 4,367,139	$ 2,877,597	$ 2,237,588	$ 1,916,084
Penalty and interest	59,866	23,878	21,515	10,137	21,175
Investment income	142,658	90,253	29,432	1,383	2,979
Other income	-	-	797	130	110
Total Revenues	4,733,726	4,481,270	2,929,341	2,249,238	1,940,348
Expenditures					
Current					
Professional fees	14,211	5,371	3,533	3,363	7,859
Contracted services	49,499	48,236	35,696	33,396	41,099
Other expenditures	5,149	6,350	6,165	6,960	6,834
Debt service					
Principal retirement	1,110,000	640,000	620,000	335,000	110,000
Interest	1,402,454	1,145,889	684,035	550,512	354,507
Contractual obligation	1,874,227	1,500,433	1,176,051	1,057,279	1,048,959
Total Expenditures	4,455,540	3,346,279	2,525,480	1,986,510	1,569,258
Excess of Revenues Over Expenditures	278,186	1,134,991	403,861	262,728	371,090
Other Financing Sources					
General obligation bonds issued	66,106	179,294	109,594	-	405,782
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	344,292	1,314,285	513,455	262,728	776,872
Fund Balance, Beginning of Year	3,781,338	2,467,053	1,953,598	1,690,870	913,998
Fund Balance, End of Year	$ 4,125,630	$ 3,781,338	$ 2,467,053	$ 1,953,598	$ 1,690,870

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
95.7 %	97.5 %	98.2 %	99.5 %	98.7 %
1.3	0.5	0.7	0.4	1.1
3.0	2.0	1.0	0.1	0.2
-	-	0.1	0.0	0.0
100.0	100.0	100.0	100.0	100.0
0.3	0.1	0.1	0.1	0.4
1.1	1.1	1.2	1.5	2.1
0.1	0.1	0.2	0.3	0.3
23.4	14.3	21.2	14.9	5.7
29.6	25.6	23.4	24.5	18.3
39.6	33.5	40.1	47.0	54.1
94.1	74.7	86.2	88.3	80.9
5.9 %	25.3 %	13.8 %	11.7 %	19.1 %

East Montgomery County Municipal Utility District No. 6
Board Members, Key Personnel, and Consultants
Year Ended May 31, 2025

Complete District mailing address:	East Montgomery County Municipal Utility District No. 6 c/o Coats Rose P.C. 9 Greenway Plaza, Suite 1000 Houston, TX 77046-0307
District business telephone number:	713.651.0111
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	June 28, 2023
Limit on fees of office that a director may receive during a fiscal year:	$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Todd Mueller	Elected 05/23–05/27	$ 1,105	$ 52	President
Billie Hamilton	Elected 05/23–05/27	1,989	61	Vice President
Kelvin Green, Sr.	Elected 05/23–05/27	1,989	172	Secretary
Chris Hazle	Elected 05/25–05/29	221	-	Assistant Secretary
DJ Matt Musil	Elected 05/25–05/29	221	-	Assistant Secretary
Stephanie Lampe	Elected 05/21–05/25	1,326	204	Term Expired
Brad Tinder	Elected 05/21–05/25	1,326	263	Term Expired

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

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Assessments of the Southwest, Inc.	10/08/13	$ 21,474	Tax Assessor/ Collector
Coats Rose P.C.	02/23/07	143,202 33,020	Bond Counsel General Counsel
Forvis Mazars, LLP	05/27/15	57,600	Auditor
H_2O Innovation	10/08/13	139,822	Operator
L&S District Services, LLC	02/23/07	14,444	Bookkeeper
LJA Engineering, Inc.	02/12/13	88,856	Engineer
Montgomery Central Appraisal District	Legislative Action	30,153	Appraiser
Robert W. Baird & Co. Incorporated	01/28/15	112,638	Financial Advisor

Investment Officer			
Debra R. Loggins	04/27/16	N/A	Bookkeeper

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____________________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)