

OFFICIAL STATEMENT DATED MAY 14, 2026

IN THE OPINION OF POLLEY GARZA PLLC, BOND COUNSEL, BASED UPON AN ANALYSIS OF EXISTING LAWS, REGULATIONS, RULINGS, AND COURT DECISIONS, AND ASSUMING, AMONG OTHER MATTERS, THE ACCURACY OF CERTAIN REPRESENTATIONS AND COMPLIANCE WITH CERTAIN COVENANTS, INTEREST ON THE BONDS IS EXCLUDED FROM GROSS INCOME FOR FEDERAL TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986. IN THE FURTHER OPINION OF BOND COUNSEL, INTEREST ON THE BONDS IS NOT A SPECIFIC PREFERENCE ITEM FOR PURPOSES OF THE FEDERAL ALTERNATIVE MINIMUM TAX. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY OTHER TAX CONSEQUENCES RELATED TO THE OWNERSHIP OR DISPOSITION OF, OR THE AMOUNT, ACCRUAL OR RECEIPT OF INTEREST ON, THE BONDS. SEE “TAX MATTERS” HEREIN.

The District has designated the Bonds as “Qualified Tax-Exempt Obligations” for financial institutions. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”

NEW ISSUE-Book-Entry Only

Insured Ratings (AG): S&P “AA” (stable outlook)
 Moody’s “A1” (stable outlook)
 Underlying Rating: Moody’s “A3”
 See “MUNICIPAL BOND RATING” and “MUNICIPAL BOND INSURANCE” herein.

\$6,590,000

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
 (A political subdivision of the State of Texas located within Fort Bend County)
 UNLIMITED TAX BONDS
 SERIES 2026**

The bonds described above (the “Bonds”) are obligations solely of Fort Bend County Municipal Utility District No. 48 (the “District”) and are not obligations of the State of Texas, Fort Bend County, the City of Missouri City, or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. THE BONDS ARE SUBJECT TO INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See “INVESTMENT CONSIDERATIONS.”

Dated Date: June 1, 2026

Due: April 1, as shown below

Interest Accrual Date: Date of Delivery

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the “Paying Agent/Registrar”) upon surrender of the Bonds for payment. Interest on the Bonds accrues from the initial date of delivery (expected on or about June 16, 2026) (the “Date of Delivery”), and is payable each October 1 and April 1, commencing October 1, 2026, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of \$5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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



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 ASSURED GUARANTY INC. (“AG” or the “Insurer”).

MATURITY SCHEDULE

Due (April 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Number (c)	Due (April 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Number (c)
2028	\$ 265,000	5.500 %	2.75 %	346905 LV2	2041	\$ 265,000 (a)	4.000 %	4.00 %	346905 MJ8
2029	265,000	5.500	2.80	346905 LW0	2042	265,000 (a)	4.000	4.02	346905 MK5
2030	265,000	5.500	2.90	346905 LX8	2043	265,000 (a)	4.000	4.07	346905 ML3
2031	265,000	5.500	3.00	346905 LY6	2044	265,000 (a)	4.000	4.14	346905 MM1
2032	265,000	5.500	3.10	346905 LZ3	2045	265,000 (a)	4.000	4.21	346905 MN9
2033	265,000 (a)	4.000	3.25	346905 MA7	2046	260,000 (a)	4.000	4.28	346905 MP4
2034	265,000 (a)	4.000	3.35	346905 MB5	2047	260,000 (a)	4.000	4.35	346905 MQ2
2035	265,000 (a)	4.000	3.45	346905 MC3	2048	260,000 (a)	4.000	4.40	346905 MR0
2036	265,000 (a)	3.000	3.65	346905 MD1	2049	260,000 (a)	4.000	4.44	346905 MS8
2037	265,000 (a)	3.000	3.75	346905 ME9	2050	260,000 (a)	4.000	4.47	346905 MT6
2038	265,000 (a)	3.000	3.85	346905 MF6	2051	260,000 (a)	4.000	4.50	346905 MU3
2039	265,000 (a)	3.000	3.95	346905 MG4	2052	260,000 (a)	4.000	4.51	346905 MV1
2040	265,000 (a)	4.000	3.87	346905 MH2					

- (a) Bonds maturing on or after April 1, 2033, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on April 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent Interest Payment Date (as herein defined) to the date fixed for redemption. See “THE BONDS—Redemption Provisions.”
- (b) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which subsequently may be changed.
- (c) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Polley Garza PLLC, Houston, Texas, Bond Counsel. See “LEGAL MATTERS.” Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about June 16, 2026.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this OFFICIAL STATEMENT are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Polley Garza PLLC, Bond Counsel, 1401 Enclave Parkway, Suite 625, Houston, Texas 77077.

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

Assured Guaranty Inc. ("AG" or the "Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Insurer 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 the Insurer supplied by the Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX B—Specimen Municipal Bond Insurance Policy."

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by Robert W. Baird & Co., Inc. (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of 97.00% of the par value thereof, which resulted in a net effective interest rate of 4.169332%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the 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 and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

- Description...* Fort Bend County Municipal Utility District No. 48 (the “District”) is a political subdivision of the State of Texas, created by order of the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality (“TCEQ”), on March 8, 1983, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District contains approximately 660 acres of land. See “THE DISTRICT.”
- Location...* The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and five miles southeast of the central business district of the City of Missouri City (the “City”) and lies wholly within the boundaries of the City. The District also lies within the boundaries of the Fort Bend Independent School District. Access to the District is provided by Fort Bend Parkway Toll Road and Texas State Highway 6 to Vicksburg Boulevard. See “THE DISTRICT” and “AERIAL PHOTOGRAPH.”
- The Developers and Major Property Owners...* Recent single-family residential development within the District has been conducted by Wilbow-Parkway Crossing, LLC, a Texas limited liability company (“Wilbow”). Wilbow has completed the development of 128 single-family residential lots on approximately 17 acres in Parkway Commons. Meritage Homes is building homes in Parkway Commons which range in sales price from approximately \$285,000 to \$327,000. As of April 6, 2026, in Parkway Commons, 3 homes were completed and occupied, 36 homes were under construction or in the name of a homebuilder and 89 vacant developed lots were available for home construction.
- Palmetto/WIHA FB 107 LP, a Texas limited partnership (“Palmetto”) is the developer of approximately 44 acres of commercial/multi-family land within the District. A 270-unit apartment community, Alexan Lake Olympia, has been constructed on approximately 15 acres, and Palmetto/WIHA FB 107 LP continues to own approximately 29 acres served by underground trunkline utilities for future commercial/multi-family development.
- Wilbow and Palmetto are collectively referred to herein as the “Developers.”
- Six Watts Plantation, Ltd. owns approximately 23 acres in the District, Airport Kirkwood Ltd. owns approximately 18 acres in the District and other various entities own approximately 14 acres, all of which are served by underground trunkline utilities for future commercial development. The District is not aware of any development plans on such acreage as of the date hereof.
- See “THE DEVELOPERS AND MAJOR PROPERTY OWNERS” and “TAX DATA—Principal Taxpayers.”
- Status of Development...* The District currently includes approximately 500 developed acres of single-family residential development consisting of 1,899 lots in Sedona Creek, Olympia Estates, Villages of Shiloh, Dry Creek Village, Parks Edge, Creekmont North, Greyden Estates, and Parkway Commons. As of April 9, 2026, 1,774 homes were completed (1,765 occupied and 9 unoccupied), 36 homes were under construction or listed in a builder’s name and 89 vacant developed lots were available for home construction in the District. According to the District’s 2025 tax rolls, the average homestead value in the District was approximately \$327,014. The sales price for new homes in Parkway Commons ranges from approximately \$285,000 to \$327,000. The current estimated population in the District is 6,982 based upon 3.5 persons per occupied single-family residence and 2.0 persons per apartment unit.
- A 132-unit, over-55 active senior apartment community, The Huntington at Sienna, is located on approximately 6 acres of land in the District. A 270-unit apartment community, Alexan Lake Olympia, is located on approximately 15 acres of land in the District.

Approximately 95 acres in the District are served with utilities for commercial development, of which 19 acres have improvements. Commercial development in the District includes a Starbucks, a Discount Tire, a Take 5 Oil Change, a coffee shop, a self-storage facility, and several multi-tenant retail buildings. Approximately 76 acres of such 95 are served by underground trunkline utilities for future development.

Approximately 4 acres in the District have been developed as a recreation center within Olympia Estates, and approximately 1 acre in the District has been developed for a fire station and is exempt from ad valorem taxation. There are approximately 39 acres of undevelopable land in the District (parks, recreational and open spaces, detention, and right-of-way). See “THE DISTRICT.”

Payment Record...

The District has previously issued \$37,185,000 principal amount of unlimited tax bonds in nine series and \$19,400,000 principal amount of unlimited tax refunding bonds in six series, of which \$20,865,000 principal amount remains outstanding as of the date hereof (the “Outstanding Bonds”). See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt.” The District will capitalize twelve (12) months of interest from Bond proceeds for payment of principal and interest on the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.” The District has never defaulted in the payment of principal and interest on the Outstanding Bonds.

THE BONDS

Description...

\$6,590,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”) are being issued as fully registered bonds pursuant to a resolution authorizing the issuance of the Bonds adopted by the District’s Board of Directors (the “Board”). The Bonds are scheduled to mature serially on April 1 in each of the years 2028 through 2052, both inclusive, in the principal amounts and accruing interest at the rates shown on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. Interest on the Bonds accrues from the Date of Delivery, and is payable on October 1, 2026 and each April 1 and October 1 thereafter, until the earlier of maturity or redemption at the rates shown on the cover page hereof. See “THE BONDS.”

Book-Entry-Only System...

The Depository Trust Company (defined as “DTC”), New York, New York, 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 requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See “BOOK-ENTRY-ONLY SYSTEM.”

Redemption...

Bonds maturing on or after April 1, 2033 are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on April 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See “THE BONDS—Redemption Provisions.”

Use of Proceeds...

Proceeds of the Bonds will be used to pay for the items shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS,” including to pay interest to the Developers on funds advanced on behalf of the District, to capitalize twelve (12) months of interest on the Bonds, and to pay administrative costs and certain other costs of issuance and engineering fees related to the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”

Authority for Issuance...

The Bonds are the tenth series of bonds issued out of an aggregate of \$51,570,000 principal amount of unlimited tax bonds authorized by the District’s voters for the purpose of purchasing and constructing a water, wastewater and/or storm drainage system (the “System”). The Bonds are issued by the District pursuant to an order of the TCEQ, the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. The TCEQ has approved the sale of \$9,660,000 principal amount of bonds. The Bonds represent a portion of such TCEQ authorization. The District has not determined if or when the remaining amount approved by the TCEQ authorization will be issued. See “THE BONDS—Authority for Issuance,” “—Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS—Future Debt.”

<i>Source of Payment...</i>	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 all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City of Missouri City, Texas, Fort Bend County, the State of Texas or any entity other than the District. See “THE BONDS—Source of Payment.”
<i>Municipal Bond Rating and Municipal Bond Insurance...</i>	S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, (“S&P”) assigned a municipal bond insured rating of “AA” (stable outlook) and Moody’s Investors Service, Inc. (“Moody’s”) assigned a municipal bond insured rating of “A1” (stable outlook), respectively, to this issue of the Bonds with the understanding that, upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. (“AG” or the “Insurer”). Moody’s has also assigned an underlying rating of “A3” to the Bonds. An explanation of the ratings may be obtained from S&P and Moody’s. See “INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance,” “MUNICIPAL BOND RATING,” “MUNICIPAL BOND INSURANCE,” and “APPENDIX B.”
<i>Qualified Tax-Exempt Obligations...</i>	The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”
<i>Bond Counsel...</i>	Polley Garza PLLC, Houston, Texas. See “MANAGEMENT OF THE DISTRICT,” “LEGAL MATTERS” and “TAX MATTERS.”
<i>Financial Advisor...</i>	Masterson Advisors LLC, Houston, Texas. See “MANAGEMENT OF THE DISTRICT.”
<i>Disclosure Counsel...</i>	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
<i>Paying Agent/Registrar...</i>	The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See “THE BONDS—Method of Payment of Principal and Interest.”

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds are subject to special investment considerations and all prospective purchasers are urged to examine carefully this entire OFFICIAL STATEMENT with respect to the investment security of the Bonds, including particularly the section captioned “INVESTMENT CONSIDERATIONS.”

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2025 Taxable Assessed Valuation.....	\$643,239,036	(a)
2026 Preliminary Taxable Assessed Valuation.....	\$703,468,750	(b)
Gross Direct Debt Outstanding	\$27,455,000	(c)
Estimated Overlapping Debt	<u>38,987,737</u>	(d)
Gross Direct Debt and Estimated Overlapping Debt.....	<u>\$66,442,737</u>	
Ratios of Gross Direct Debt to:		
2025 Taxable Assessed Valuation.....	4.27%	
2026 Preliminary Taxable Assessed Valuation.....	3.90%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2025 Taxable Assessed Valuation.....	10.33%	
2026 Preliminary Taxable Assessed Valuation.....	9.45%	
Debt Service Funds Available as of April 9, 2026		
Water, Sewer and Drainage Debt Service Funds	\$2,115,082	
Capitalized Interest from Bond Proceeds (Twelve (12) Months).....	<u>272,875</u>	(e)
Total Debt Service Funds Available	<u>\$2,387,957</u>	
Operating Funds Available as of April 9, 2026.....	\$8,966,100	
Capital Projects Funds Available as of April 9, 2026	\$ 171,919	(f)
2025 Debt Service Tax Rate.....	\$0.36	
2025 Maintenance and Operations Tax Rate.....	<u>0.36</u>	
2025 Total Tax Rate.....	\$0.72	
Average Annual Debt Service Requirement (2027-2052).....	\$1,281,060	(g)
Maximum Annual Debt Service Requirement (2028).....	\$2,767,019	(g)
Tax Rates Required to Pay Average Annual Debt Service (2027-2052) at a 95% Collection Rate		
Based upon 2025 Taxable Assessed Valuation	\$0.21	(h)
Based upon 2026 Preliminary Taxable Assessed Valuation	\$0.20	(h)
Tax Rates Required to Pay Maximum Annual Debt Service (2028) at a 95% Collection Rate		
Based upon 2025 Taxable Assessed Valuation	\$0.46	(h)
Based upon 2026 Preliminary Taxable Assessed Valuation	\$0.42	(h)
Status of Development as of April 9, 2026 (i):		
Homes Completed (1,765 occupied, 9 unoccupied).....	1,774	
Homes Under Construction.....	36	
Lots Available for Home Construction	89	
Apartment Units	402	
Estimated Population	6,982	(j)

- (a) The 2025 Taxable Assessed Valuation shown herein includes \$642,309,704 of certified value and \$929,332 of uncertified value. The uncertified value represents the Appraisal District’s opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Fort Bend Central Appraisal District (the “Appraisal District”). See “TAXING PROCEDURES.”
- (b) Provided by the Appraisal District as a preliminary indication of the 2026 taxable value (as of January 1, 2026). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified in the fall of 2026. See “TAXING PROCEDURES.”
- (c) Includes the Bonds and the Outstanding Bonds. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt.”
- (d) See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt.”
- (e) The District will capitalize twelve (12) months of interest on the Bonds. See “THE BONDS—Funds” and “USE AND DISTRIBUTION OF BOND PROCEEDS.”
- (f) The District will contribute \$164,500 of surplus capital projects funds toward the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
- (g) See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements.”
- (h) See “TAX DATA—Tax Adequacy for Debt Service,” and “INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates.”
- (i) See “THE DISTRICT—Land Use” and “—Status of Development.”
- (j) Based upon 3.5 persons per occupied single-family residence and 2.0 persons per apartment unit.

OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48 (A political subdivision of the State of Texas located within Fort Bend County)

\$6,590,000

UNLIMITED TAX BONDS SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 48 (the “District”) of its \$6,590,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”).

The Bonds are issued by the District pursuant to Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, an order of the Texas Commission on Environmental Quality (the “TCEQ”), a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”), and elections held within the District.

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, the Developers (as defined herein) and development activity in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Polley Garza PLLC, 1401 Enclave Parkway, Suite 625, Houston, Texas 77077, upon payment of duplication costs.

THE BONDS

Description

The Bonds will be dated June 1, 2026 and accrue interest from Date of Delivery (expected to be on or about June 16, 2026) with interest payable on each October 1 and April 1, commencing October 1, 2026, until the earlier of maturity or prior redemption. The Bonds mature on April 1 in the amounts and years shown on the cover page of this OFFICIAL STATEMENT. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the partnership nominee of The Depository Trust Company (“DTC”), 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 the Paying Agent/Registrar to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein.

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

Authority for Issuance

At bond elections held within the District on July 16, 1983, June 8, 1991, August 14, 1999, and May 8, 2010, voters of the District authorized the issuance of \$8,250,000 principal amount of unlimited tax bonds, \$8,250,000 principal amount of refunding bonds, \$13,530,000 in unlimited tax and refunding bonds, and \$29,790,000 in unlimited tax and refunding bonds, respectively. After issuance of the Bonds, \$7,795,000 principal amount of combination unlimited tax and refunding bonds and \$2,139,943.44 principal amount of unlimited tax refunding bonds will remain authorized but unissued.

The TCEQ has approved the sale of \$9,660,000 principal amount of bonds. The Bonds represent a portion of such TCEQ authorization. The District has not determined if or when the remaining amount approved by the TCEQ authorization will be issued. The TCEQ has approved the sale of the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized in “USE AND DISTRIBUTION OF BOND PROCEEDS.”

The Bonds are issued by the District pursuant to Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without limit as to rate, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Fort Bend County, the City, or any entity other than the District.

Funds

In the Bond Resolution, the Debt Service Fund is confirmed, and the proceeds from all debt service taxes levied, assessed and collected for and on account of the Bonds authorized by the Bond Resolution shall be deposited, as collected, in such fund.

Twelve (12) months of capitalized interest shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund, to be used for the purposes of paying for improvements to the District's water, wastewater, and drainage facilities, paying interest to the Developers for funds advanced on behalf of the District, reimbursing the Developers for certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Capital Projects Fund will be used as described in the Bond Resolution or ultimately transferred to the Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after April 1, 2033, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on April 1, 2032, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written 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 register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if less than all the Bonds outstanding within any one maturity are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferable. See "BOOK-ENTRY-ONLY SYSTEM."

In the event the Book-Entry-Only System should be discontinued, each Bond shall be transferable only upon the presentation and surrender of such Bonds at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the District to authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and paying interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds. Each Bond delivered shall be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on the 15th calendar day of the month next preceding an Interest Payment Date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond.

The District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company, N.A., Houston, Texas as the initial Paying Agent/Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Houston, Texas and interest on each Bond shall be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the September 15 or March 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolution.

No Arbitrage

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

Lost, Stolen or Destroyed Bonds

In the event the book-entry-only system is discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, stolen or destroyed, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered Owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be a national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Issuance of Additional Debt

At bond elections held within the District on July 16, 1983, June 8, 1991, August 14, 1999, and May 8, 2010, voters of the District authorized the issuance of \$8,250,000 principal amount of unlimited tax bonds, \$8,250,000 principal amount of refunding bonds, \$13,530,000 in unlimited tax and refunding bonds, and \$29,790,000 in unlimited tax and refunding bonds, respectively. The Bonds represent a portion of the \$9,660,000 principal amount of bonds approved by the TCEQ. The District has not determined if or when the remaining amount approved by the TCEQ authorization will be issued. Such approval expires May 1, 2027, unless an extension is requested and granted by the TCEQ. After issuance of the bonds, \$7,795,000 principal amount of combination unlimited tax and refunding bonds and \$2,139,943.44 principal amount of unlimited tax refunding bonds will remain authorized but unissued.

The District is authorized by statute to construct park and recreational facilities, including the issuing of bonds payable from taxes for such purpose. If the District does issue additional parks bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District.

The District is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election for the issuance of fire-fighting bonds at this time.

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the TCEQ for "road powers" nor calling such an election at this time.

Issuance of additional bonds could dilute the investment security for the Bonds.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash and the utility system) and liabilities (such as the Bonds) with the assets and liabilities of the district(s) with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Dissolution

The District lies entirely within the corporate limits of the City. The City may at any time choose to dissolve the District without the consent of the District at the City's sole discretion upon two-thirds vote of the City Council. If the District is dissolved, the City must assume the District's assets, obligations and indebtedness, including the District's bonded indebtedness.

The District has no knowledge of and cannot make any predictions whether the City will ever dissolve the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should dissolution occur. Dissolution of the District by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that abolishment will or will not occur.

Remedies in Event of Default

If the District defaults in the payment of principal, interest or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Bond Resolution the Registered Owners have the statutory right 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 Resolution. Except for mandamus, the Bond Resolution 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 Resolution 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. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations or investment criteria which might 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.

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to the investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will 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 "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, 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 requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Trustee on behalf thereof) 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).

Principal, premium, if any, interest payments and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, 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, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds 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, 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. 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by Quiddity Engineering LLC, the District’s engineer (the “Engineer”), and were submitted to the TCEQ in the District’s Bond Application. Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and Masterson Advisors LLC (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 review by the District’s auditor. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

I. CONSTRUCTION COSTS	
WS&D in Parkway Crossing Phase I.....	\$ 427,859
Detention and Excavation in Parkway Crossing Interim Phase I.....	577,749
Clearing and Grubbing - Phase I in Parkway Crossing.....	314,590
Water and Wastewater Impact Fees.....	709,804
Lift Station Generator Additions.....	574,580
Mustang Bayou Wastewater Treatment Plant Amenities.....	50,583
Mustang Bayou Water Plant No. 1 & Water Plant No. 2 Rehabilitation.....	639,261
Water Well at Mustang Bayou Water Plant No. 2.....	275,576
Contingencies.....	145,319
Land Acquisition Costs.....	1,212,651
Engineering and Testing.....	634,677
Less: Surplus Funds (a).....	(164,500)
Total Construction Costs.....	\$ 5,398,149
II. NON-CONSTRUCTION COSTS	
Underwriter's Discount.....	\$ 197,700
Capitalized Interest (12 Months) (b).....	272,875
Developer Interest (Estimated).....	262,237
Total Non-Construction Costs.....	\$ 732,812
III. ISSUANCE COSTS AND FEES	
Issuance Costs and Professional Fees.....	\$ 308,749
Bond Application Report Costs.....	70,600
State Regulatory Fees.....	23,065
Contingency (b).....	56,625
Total Issuance Costs and Fees.....	\$ 459,039
TOTAL BOND ISSUE.....	\$ 6,590,000

(a) The District will contribute \$164,500 of surplus capital projects funds toward the issuance of the Bonds. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED).”

(b) The TCEQ approved a maximum amount of Underwriter’s discount of 3.00% and twelve (12) months of capitalized interest. Contingency represents the difference in the estimated and actual amount of capitalized interest.

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

THE DISTRICT

General

The District is a municipal utility district created by an order of the Texas Water Commission, a predecessor to the TCEQ dated March 8, 1983. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to utility districts, particularly Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also authorized to develop parks and recreation facilities, including the issuance of bonds payable from taxes for such purposes and may also, subject to the granting of road powers by the TCEQ and certain limitations, develop and finance roads. The District is also empowered to contract for or employ its own peace officers and to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts.

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent for creation from the City, within whose corporate limits the District lies, the District is required to observe certain requirements of the City which: limit the purposes for which the District may sell bonds for the acquisition, construction and improvement of waterworks, wastewater, drainage facilities and park and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to lots and commercial or multi-family reserves described in plats which have been approved by the Planning Commission of the City and recorded in the real property records of Fort Bend County. Construction and operation of the District's System is subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation."

Description and Location

The District contains approximately 660 acres of land. The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston, five miles southeast of the central business district of the City and lies wholly within the corporate limits of the City and within the boundaries of the Fort Bend Independent School District. Access to the District is provided by Fort Bend Parkway Toll Road to Texas Highway 6 to Vicksburg Boulevard. See "AERIAL PHOTOGRAPH."

Land Use

The District currently includes approximately 500 developed acres of single-family residential development consisting of 1,899 lots, approximately 4 acres developed as a recreation center within Olympia Estates, approximately 1 acre where a fire station has been constructed, approximately 95 acres developed for commercial usage, approximately 21 acres for multi-family residential development, and approximately 39 undevelopable acres (parks, recreational and open spaces, detention, and right-of-way). The table below represents a detailed breakdown of the current acreage and development in the District.

	Approximate <u>Acres</u>	<u>Lots</u>
<i><u>Single-Family Residential</u></i>		
Sedona Creek:		
Section One.....	13	46
Section Two.....	29	98
Section Three.....	23	95
Olympia Estates:		
Section Two.....	38	132
Section Three.....	20	87
Section Four.....	18	79
Section Six.....	17	84
Section Seven.....	17	80
Section Eight.....	18	88
Villages of Shiloh.....	70	202
Dry Creek Village:		
Section One.....	47	150
Section Two.....	41	153
Section Three.....	32	108
Parks Edge:		
Section One.....	19	64
Section Two.....	15	60
Section Three.....	10	34
Creekmont North:		
Section One.....	18	78
Section Two.....	15	69
Section Three.....	20	49
Greyden Estates.....	3	15
Parkway Commons.....	<u>17</u>	<u>128</u>
Subtotal.....	500	1,899
Multi-Family.....	21	-
Commercial (a).....	95	-
Recreation Center.....	4	-
Fire Station (tax-exempt).....	1	-
Undevelopable (b).....	39	-
Totals.....	660	1,899

(a) Includes approximately 76 acres which are served by underground trunkline utilities for future commercial development.
(b) Includes parks, recreational and open spaces, detention, and right-of-way.

Status of Development

Single-Family Residential: As of April 9, 2026, 1,774 homes were completed (1,765 occupied and 9 unoccupied), 36 homes were under construction or listed in a builder's name and 89 vacant developed lots were available for home construction. According to the District's 2025 tax rolls, the average homestead value in the District was approximately \$327,014. The sales price for new homes in Parkway Commons ranges from approximately \$285,000 to \$327,000. The current estimated population in the District is 6,982 based upon 3.5 persons per occupied single-family residence and 2.0 persons per apartment unit.

Multi-Family Residential: A 132-unit, over-55 active senior apartment community, The Huntington at Sienna, is located on approximately 6 acres of land in the District. A 270-unit apartment community, Alexan Lake Olympia, is located on approximately 15 acres of land in the District.

Commercial: Approximately 95 acres in the District are served with utilities for commercial development, of which 19 acres have improvements. Commercial development in the District includes a Starbucks, a Discount Tire, a Take 5 Oil Change, a coffee shop, a self-storage facility, and several multi-tenant retail buildings. Approximately 76 of such 95 acres are served by underground trunkline utilities for future development.

Approximately 4 acres in the District have been developed as a recreation center within Olympia Estates, and approximately 1 acre in the District has been developed for a fire station. There are approximately 39 acres of undevelopable land in the District (parks, recreational and open spaces, detention, and right-of-way).

THE DEVELOPERS AND MAJOR PROPERTY OWNERS

Role of a Developer

In general, the activities of a landowner or developer in a municipal utility district such as the District include designing the project, defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of streets and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. While a developer is required by the TCEQ to pave streets in areas where utilities are to be financed by a district through a specified bond issue, a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective Bond purchasers should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful.

The Developers have no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the Developers' financial condition is subject to change at any time. Neither the Developers nor any affiliate of the Developers, if any, are obligated to pay principal of or interest on the Bonds. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries. See "INVESTMENT CONSIDERATIONS."

Wilbow-Parkway Crossing, LLC

Recent single-family residential development within the District has been conducted by Wilbow-Parkway Crossing, LLC, a Texas limited liability company (“Wilbow”). Wilbow has completed the development of 128 single-family residential lots on approximately 17 acres in Parkway Commons. Meritage Homes is building homes in Parkway Commons that range in sales price from approximately \$285,000 to \$327,000. As of April 6, 2026, in Parkway Commons, 3 homes were completed and occupied, 36 homes were under construction or in the name of a homebuilder and 89 vacant developed lots were available for home construction.

Palmetto/WIHA FB 107 LP

Palmetto/WIHA FB 107 LP, a Texas limited partnership (“Palmetto”) is the developer of approximately 44 acres of commercial/multi-family land within the District. A 270-unit apartment community, Alexan Lake Olympia, has been constructed on approximately 15 acres and Palmetto/WIHA FB 107 LP continues to own approximately 29 acres served by underground trunkline utilities for future commercial/multi-family development.

Wilbow and Palmetto are collectively referred to herein as the “Developers.”

Major Property Owners

Six Watts Plantation, Ltd. owns approximately 23 acres in the District, Airport Kirkwood Ltd. owns approximately 18 acres in the District and other various commercial entities own approximately 14 acres, all of which are served by underground trunkline utilities for future commercial development. The District is not aware of any development plans on such acreage as of the date hereof.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to staggered four-year terms and elections are typically held in May in even numbered years only. All of the Board members reside within the District. The current members and officers of the Board along with their titles and terms, are listed as follows:

<u>Name</u>	<u>District Board Title</u>	<u>Term Expires</u>
Megan Robertson	President	May 2030
Kenneth Wiltz	Vice President	May 2028
Sharwin Wiltz-Boney	Treasurer	May 2030
Keisha Hernandez	Secretary	May 2028
Mike Griffin	Assistant Secretary	May 2030

District Consultants

The District does not have a general manager or other full-time employees, but contracts for certain necessary services as described below.

Bond Counsel/General Counsel: The District has engaged Polley Garza PLLC, as general counsel to the District and as Bond Counsel in connection with the issuance of the District’s bonds. The fees of the attorneys in their capacity as Bond Counsel are contingent upon the sale and delivery of the Bonds. Compensation to the attorneys for other services to the District is based on a combination of a fixed fee and hourly rates. See “LEGAL MATTERS” and “TAX MATTERS.”

Financial Advisor: Masterson Advisors LLC serves as the District’s Financial Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Auditor: The District’s financial statements for the fiscal year ending June 30, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis, PLLC, Certified Public Accountants and are included in “APPENDIX A.”

Engineer: The District’s consulting engineer is Quiddity Engineering LLC.

Tax Appraisal: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. See “TAXING PROCEDURES.”

Tax Assessor/Collector: The District has retained an independent tax assessor/collector to perform the tax collection function. Bob Leared Interests, Inc. (the “Tax Assessor/Collector”) has been employed by the District to serve in this capacity.

Bookkeeper: The District has contracted with Myrtle Cruz, Inc. (the “Bookkeeper”) for bookkeeping services.

Utility System Operator: The operator of the District’s internal water and wastewater system is Municipal District Services, LLC.

THE SYSTEM

Regulation

Construction and operation of the District’s water, wastewater and storm drainage system as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District. Fort Bend County, the City, and the Texas Department of Health also exercise regulatory jurisdiction over the District’s System.

Water Supply

Water supply for the District is provided by two water plants owned and operated by the City pursuant to a Regional Joint Water Facilities Agreement (the “2011 Agreement”). The City has reserved and allocated 1,374 equivalent single-family connections (“ESFCs”) to the District. The District is billed monthly for operating expenses comprised of fixed and variable costs. Fixed costs are shared based upon the pro rata share of plant capacity and variable costs are based upon the proportion of the number of gallons used by each participant. As of March 30, 2026, the District was serving 1,298 active ESFCs, not including the customers served directly by the City as described below.

On February 15, 2016, the District and the City entered into a Utility Agreement (“Utility Agreement”) that modified the 2011 Agreement related to future development in the District. The Utility Agreement was amended and restated on April 5, 2017 (“Amended Utility Agreement”). The Amended Utility Agreement provides that future water customers will be served directly by the City. There are a total of 624 active connections (includes 588 occupied homes and 36 homes under construction) within the areas served directly by the City. These are within Dry Creek Village, Parks Edge, Greyden Estates and Parkway Commons.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the “Subsidence District”), which regulates groundwater withdrawal, including the water supplied to the District by the City. The City’s authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District’s jurisdiction, including the area within the District.

The Subsidence District’s regulations require the City, individually or collectively with other water users, to: (i) have prepared a groundwater reduction plan (“GRP”) and obtained certification of the GRP from the Subsidence District by 2008; (ii) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the GRP, beginning January 2014; and (iii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the GRP, beginning January 2025.

On July 1, 2008, the District executed a City of Missouri City Joint Groundwater Reduction Plan Participant Agreement for Regulatory Area A of the Fort Bend Subsidence District (the “Agreement”). The Agreement is between the District and the City, and under the terms of the Agreement, the City is responsible for the design, construction and operation of a surface water treatment plant project to meet the above surface water conversion compliance criteria. The City has developed and obtained certification for a Groundwater Reduction Plan (“GRP”) for itself and other participants in the City’s GRP, or within its extraterritorial jurisdiction, including the District. The GRP is based upon a project to supply treated surface water and includes a plan for co-permitting all groundwater wells. The City charges a fee, currently \$2.39 per 1,000 gallons to finance implementation of the GRP. This fee is passed through to the District’s customers as part of the District’s standard monthly water and sewer bills. The rate is anticipated to increase further in the future and the District cannot predict the amount or level of fees and charges, which may be due to the City in the future. The District may continue to pass such fees through to its customers through higher water rates or the District may pay for such fees with portions of maintenance tax proceeds, if any. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the City: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, or (ii) will comply with the Subsidence District’s surface water conversion requirements.

If the City, together with the participants in its GRP, fail to comply with the above Subsidence District regulations, such entities are subject to a disincentive fee penalty imposed by the Subsidence District for any groundwater withdrawn in excess of 70% of the total annual water demand beginning in January 2014, increasing to 40% in 2030.

Wastewater Treatment

Wastewater from the District is provided by a 2,000,000 gallon per day (“gpd”) wastewater treatment plant (“WWTP”) owned and operated by the City pursuant to a Regional Wastewater Treatment Agreement (the “2010 Agreement”). The City has reserved and allocated 1,370 ESFCs to the District. The District is obligated to pay a pro rata share of the operating expenses associated with the WWTP and may purchase additional capacity from the City by paying an impact fee established by the City in an amount currently equal to \$5,090 per ESFC. The Amended Utility Agreement provides that future wastewater customers will be served directly by the City. As of March 30, 2026, the District was serving 1,298 active ESFCs, not including the customers served directly by the City.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 1,899 single-family residential lots on approximately 500 acres in the District, approximately 95 acres of commercial development, and approximately 21 acres of multi-family residential development. See “THE DISTRICT—Land Use.”

100-Year Flood Plain

“Flood Insurance Rate Map” or “FIRM” means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain is depicted on these maps. The 100-year flood plain, as shown on the FIRM, is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, improvements are built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that improvements built in such area will not be flooded. The District’s drainage system has been designed and constructed to the City and County’s design regulations at the time they were developed. There is approximately 1 acre of property located in the effective 100-year floodplain within the District (Creekmont North Subdivision). This 1 acre will require floodplain mitigation if development is to occur. See “INVESTMENT CONSIDERATIONS—Extreme Weather Events.”

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States (“Atlas 14”). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area. The application of 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. See “INVESTMENT CONSIDERATIONS—Atlas 14.”

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2025 Taxable Assessed Valuation.....	\$643,239,036	(a)
2026 Preliminary Taxable Assessed Valuation.....	\$703,468,750	(b)
Gross Direct Debt Outstanding	\$27,455,000	(c)
Estimated Overlapping Debt	38,987,737	(d)
Gross Direct Debt and Estimated Overlapping Debt.....	\$66,442,737	
Ratios of Gross Direct Debt to:		
2025 Taxable Assessed Valuation	4.27%	
2026 Preliminary Taxable Assessed Valuation.....	3.90%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2025 Taxable Assessed Valuation.....	10.33%	
2026 Preliminary Taxable Assessed Valuation.....	9.45%	
Debt Service Funds Available as of April 9, 2026		
Water, Sewer and Drainage Debt Service Funds	\$2,115,082	
Capitalized Interest from Bond Proceeds (Twelve (12) Months).....	272,875	(e)
Total Debt Service Funds Available	\$2,387,957	
Operating Funds Available as of April 9, 2026.....	\$8,966,100	
Capital Projects Funds Available as of April 9, 2026	\$ 171,919	(f)

- (a) The 2025 Taxable Assessed Valuation shown herein includes \$642,309,704 of certified value and \$929,332 of uncertified value. The uncertified value represents the Appraisal District’s opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See “TAXING PROCEDURES.”
- (b) Provided by the Appraisal District as a preliminary indication of the 2026 taxable value (as of January 1, 2026). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified in the fall of 2026. See “TAXING PROCEDURES.”
- (c) Includes the Bonds and the Outstanding Bonds. See “Outstanding Debt” herein.
- (d) See “Estimated Overlapping Debt” and “Overlapping Taxes” herein.
- (e) The District will capitalize twelve (12) months of interest on the Bonds. See “THE BONDS—Funds” and “USE AND DISTRIBUTION OF BOND PROCEEDS.”
- (f) The District will contribute \$164,500 of surplus capital projects funds toward the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”

Investments of the District

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

Outstanding Debt

The District has five series of unlimited tax bonds and two series of unlimited tax refunding bonds outstanding in the aggregate original principal amount of \$20,865,000 as of the date hereof (the “Outstanding Bonds”). The following table lists the original principal amount of the Outstanding Bonds and the current principal amount of the Outstanding Bonds.

Series	Original Principal Amount	Outstanding Bonds
2015	\$ 3,565,000	\$ 2,065,000
2016	2,665,000	1,540,000
2019	8,075,000	5,975,000
2019 (a)	2,370,000	1,195,000
2020 (a)	5,755,000	3,110,000
2021	5,830,000	4,590,000
2022	2,840,000	2,390,000
Total	\$ 31,100,000	\$ 20,865,000

- (a) Unlimited tax refunding bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see “Outstanding Debt” in this section) and the Bonds. The District will capitalize twelve (12) months of interest from Bond proceeds to pay debt service on the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2026	\$ 1,361,515.63 (a)	\$ -	\$ 79,588.54	\$ 79,588.54	\$ 1,441,104.17
2027	2,246,568.75	-	272,875.00	272,875.00	2,519,443.75
2028	2,236,431.25	265,000	265,587.50	530,587.50	2,767,018.75
2029	2,181,906.25	265,000	251,012.50	516,012.50	2,697,918.75
2030	2,047,218.75	265,000	236,437.50	501,437.50	2,548,656.25
2031	2,250,150.00	265,000	221,862.50	486,862.50	2,737,012.50
2032	2,216,593.75	265,000	207,287.50	472,287.50	2,688,881.25
2033	1,920,681.25	265,000	194,700.00	459,700.00	2,380,381.25
2034	1,858,762.50	265,000	184,100.00	449,100.00	2,307,862.50
2035	1,409,862.50	265,000	173,500.00	438,500.00	1,848,362.50
2036	1,378,481.25	265,000	164,225.00	429,225.00	1,807,706.25
2037	1,356,137.50	265,000	156,275.00	421,275.00	1,777,412.50
2038	1,012,887.50	265,000	148,325.00	413,325.00	1,426,212.50
2039	484,425.00	265,000	140,375.00	405,375.00	889,800.00
2040	467,700.00	265,000	131,100.00	396,100.00	863,800.00
2041	150,800.00	265,000	120,500.00	385,500.00	536,300.00
2042	-	265,000	109,900.00	374,900.00	374,900.00
2043	-	265,000	99,300.00	364,300.00	364,300.00
2044	-	265,000	88,700.00	353,700.00	353,700.00
2045	-	265,000	78,100.00	343,100.00	343,100.00
2046	-	260,000	67,600.00	327,600.00	327,600.00
2047	-	260,000	57,200.00	317,200.00	317,200.00
2048	-	260,000	46,800.00	306,800.00	306,800.00
2049	-	260,000	36,400.00	296,400.00	296,400.00
2050	-	260,000	26,000.00	286,000.00	286,000.00
2051	-	260,000	15,600.00	275,600.00	275,600.00
2052	-	260,000	5,200.00	265,200.00	265,200.00
Total	\$ 24,580,121.88	\$ 6,590,000	\$ 3,578,551.04	\$ 10,168,551.04	\$ 34,748,672.92

(a) Excludes the April 1, 2026 debt service payment of \$968,416.

Average Annual Debt Service Requirements (2027-2052)	\$1,281,060
Maximum Annual Debt Service Requirement (2028)	\$2,767,019

Estimated Overlapping Debt

The following table indicates the outstanding debt payable from ad valorem taxes of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. Debt figures equated herein to outstanding obligations payable from ad valorem taxes are based upon data obtained from individual jurisdictions or Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas. Furthermore, certain entities listed below may have issued additional obligations since the date listed and may have plans to incur significant amounts of additional debt. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to taxes for the payment of debt service and the tax burden for operation, maintenance and/or general revenue purposes is not included in these figures. The District has no control over the issuance of debt or tax levies of any such entities.

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping	
			Percent	Amount
Fort Bend County.....	\$ 1,152,335,706	3/31/2026	0.50%	\$ 5,761,679
Fort Bend County Drainage District.....	20,585,000	3/31/2026	0.51%	104,984
Fort Bend Independent School District.....	1,816,645,000	3/31/2026	1.23%	22,344,734
Houston City College.....	371,540,000	3/31/2026	0.22%	817,388
City of Missouri City.....	202,830,000	3/31/2026	4.91%	9,958,953
Total Estimated Overlapping Debt.....				\$ 38,987,737
The District.....	27,455,000 (a)	Current	100.00%	27,455,000
Total Direct and Estimated Overlapping Debt.....				\$ 66,442,737
Ratio of Estimated Direct and Overlapping Debt to 2025 Taxable Assessed Valuation.....				10.33%
Ratio of Estimated Direct and Overlapping Debt to 2026 Preliminary Taxable Assessed Valuation.....				9.45%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Taxes

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

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

	2025 Tax Rate per \$100 of Taxable <u>Assessed Valuation</u>
Fort Bend County (including Fort Bend County Drainage District).....	\$ 0.422000
City of Missouri City.....	0.570825
Houston City College System.....	0.098802
Fort Bend Independent School District.....	<u>1.056900</u>
Total Overlapping Tax Rate.....	\$ 2.148527
The District (a).....	<u>0.720000</u>
Total Tax Rate.....	\$ 2.868527

(a) See “TAX DATA—Historical Tax Rate Distribution.”

General Operating Fund

The following statement sets forth in condensed form the General Operating Fund as shown in the District’s audited financial statements for the fiscal years ended June 30, 2022 through 2025 and an unaudited summary for the nine month period ending March 31, 2026, prepared by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to “APPENDIX A” for further and complete information.

	7/1/2025 to 3/31/2026 (a) (Unaudited)	Fiscal Year Ended June 30			
		2025	2024	2023	2022
Revenues:					
Property Taxes	\$ 2,248,245	\$ 2,233,022	\$ 1,846,339	\$ 1,499,911	\$ 959,338
Water and Wastewater Service	661,322	837,958	830,898	850,135	846,079
Groundwater Reduction Fees	192,064	225,421	238,891	204,200	187,365
Penalty and Interest	9,152	13,464	26,847	24,386	21,974
Tap Connection and Inspection Fees	7,315	11,140	143,755	7,365	6,720
Investment Revenues	224,753	298,489	282,247	172,476	9,770
Miscellaneous	41,798	63,076	52,181	32,989	17,584
Total Revenues	\$ 3,384,650	\$ 3,682,570	\$ 3,421,158	\$ 2,791,462	\$ 2,048,830
Expenditures:					
Professional Fees	\$ 251,811	\$ 281,254	\$ 248,537	\$ 276,621	\$ 271,941
Purchased and Contracted Services	899,950	866,364	1,216,179	1,048,172	599,341
Utilities	3,189	3,620	11,916	16,158	20,353
Repairs and Maintenance	421,250	611,041	1,083,829	518,328	441,971
Other	92,472	119,439	155,479	104,283	123,614
Capital Outlay	253,239	898,159	752,044	-	145,887
Bond Issuance Costs	-	19,500	-	-	-
Total Expenditures	\$ 1,921,910	\$ 2,799,377	\$ 3,467,984	\$ 1,963,562	\$ 1,603,107
NET REVENUES	\$ 1,462,740	\$ 883,193	\$ (46,826)	\$ 827,900	\$ 445,723
Interfund Transfers	\$ 21,287	\$ 286,716	\$ -	\$ 53,813	\$ -
Developer Advances	\$ -	\$ 750,046	\$ 440,341	\$ -	\$ 130,000
General Operating Fund	\$ 7,190,308	\$ 5,270,353	\$ 4,876,838	\$ 3,995,125	\$ 3,419,402
Balance (Beginning of Year)					
General Operating Fund	\$ 8,674,336	\$ 7,190,308	\$ 5,270,353	\$ 4,876,838	\$ 3,995,125
Balance (End of Year)					

(a) Unaudited. Provided by the Bookkeeper.

TAX DATA

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See “INVESTMENT CONSIDERATIONS—Factors Affecting Taxable Values and Tax Payments,” “Historical Tax Rate Distribution” and “Tax Roll Information” below and “TAXING PROCEDURES.”

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District’s voters. A maintenance tax election was conducted July 16, 1983, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate in an unlimited amount. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See “Debt Service Tax” above.

Historical Tax Rate Distribution

	2025	2024	2023	2022	2021
Debt Service	\$ 0.360	\$ 0.360	\$ 0.420	\$ 0.470	\$ 0.560
Maintenance and Operations	0.360	0.360	0.310	0.290	0.230
Total	\$ 0.720	\$ 0.720	\$ 0.730	\$ 0.760	\$ 0.790

Exemptions

As discussed in the section titled “TAXING PROCEDURES” herein, certain property in the District may be exempt from taxation by the District. For tax year 2026, the District has granted a \$10,000 tax exemption on residential homesteads for persons 65 years of age or older or disabled. The Developers have executed, pursuant to TCEQ Rule 293.59, a Waiver of Special Appraisal, waiving its right to claim any agriculture or open space exemptions, or any other type of exemption or valuation, for the property it owns within the District that would reduce the assessed value of such land below its market value for purposes of ad valorem taxation by the District. Such waiver is binding for a period of thirty years.

Additional Penalties

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

Historical Tax Collections

The following statement of tax collections sets forth in condensed form a portion of the historical tax experience of the District. Such table has been prepared for inclusion herein, based upon information obtained from the District’s Tax Assessor/Collector. Reference is made to such statements and records for further and complete information. See “Tax Roll Information” below.

Tax Year	Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy (b)	Total Collections as of March 31, 2026 (c)	
				Amount	Percent
2021	\$ 417,491,399	\$ 0.79	\$ 3,298,182	\$ 3,281,015	99.48%
2022	518,309,857	0.76	3,939,155	3,921,453	99.55%
2023	596,641,236	0.73	4,355,481	4,332,294	99.47%
2024	629,954,609	0.72	4,535,673	4,504,440	99.31%
2025	643,239,036	0.72	4,631,321	4,509,138	97.36%

- (a) Net valuation represents final gross appraised value as certified by the Appraisal District less any exemptions granted. See “Tax Roll Information” below for gross appraised value and exemptions granted by the District.
- (b) Represents actual tax levy, including any adjustments by the Appraisal District, as of the date hereof.
- (c) Unaudited.

Tax Roll Information

The District’s assessed value as of January 1 of each year is used by the District in establishing its tax rate (see “TAXING PROCEDURES—Valuation of Property for Taxation”). The following represents the composition of property comprising the 2021 through 2025 Taxable Assessed Valuations and the 2026 Preliminary Taxable Assessed Valuation, which is subject to review and downward adjustment prior to certification. A breakdown related to the uncertified portion (\$929,332) of the 2025 Taxable Assessed Valuation is not currently available. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year.

Tax Year	Type of Property			Gross Assessed Valuations	Deferments and Exemptions	Uncertified Value	Net Assessed Valuations
	Land	Improvements	Personal Property				
2021	\$ 78,292,600	\$ 349,404,964	\$ 4,337,600	\$ 432,035,164	\$ (14,543,765)	\$ -	\$ 417,491,399
2022	82,705,660	495,539,738	5,019,688	583,265,086	(64,955,229)	-	518,309,857
2023	87,698,242	579,020,390	6,671,308	673,389,940	(76,748,704)	-	596,641,236
2024	108,674,205	565,391,426	6,639,439	680,705,070	(50,750,461)	-	629,954,609
2025	116,004,956	557,173,771	6,869,581	680,048,308	(37,738,604)	929,332	643,239,036
2026 (a)	120,589,050	610,594,058	8,673,499	739,856,607	(36,387,857)	-	703,468,750

(a) Provided by the Appraisal District as a preliminary indication of the 2026 taxable value (as of January 1, 2026). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified in the fall of 2026. See “TAXING PROCEDURES.”

Principal Taxpayers

The following table represents the ten principal taxpayers, the taxable assessed value of such property, and such property’s taxable assessed valuation as a percentage of the certified portion (\$642,309,704) of the Taxable Assessed Valuation of \$643,239,036. This represents ownership as of January 1, 2025. Accurate principal taxpayer lists related to the uncertified portion (\$929,332) of the 2025 Taxable Assessed Valuation and the 2026 Preliminary Taxable Assessed Valuation, of \$703,468,750, which is subject to review and downward adjustment prior to certification, are not currently available.

Taxpayer	Type of Property	2025 Certified Taxable Assessed Valuation	% of 2025 Certified Taxable Assessed Valuation
PS LPT Properties Investors	Land & Improvements	\$ 16,990,099	2.65%
Kim Yong Kyu & Chong Hye	Land & Improvements	11,450,000	1.78%
SP Huntington Partners LTD (a)	Land & Improvements	8,148,410	1.27%
Craig/Polk Partnership	Land & Improvements	4,122,330	0.64%
Sienna 9612 LLC	Land & Improvements	3,693,980	0.58%
BTR Scattered Site Owner 2 LLC	Land & Improvements	3,191,461	0.50%
Sano Property LLC	Land & Improvements	2,684,636	0.42%
Centerpoint Energy	Personal Property	2,393,300	0.37%
Six Watts Plantation LTD (b)	Land	2,302,524	0.36%
Airport Kirkwood LTD (b)	Land	2,005,488	0.31%
Total		\$ 56,982,228	8.87%

(a) Active senior apartment community. See “THE DISTRICT—Status of Development.”

(b) See “THE DEVELOPERS AND MAJOR PROPERTY OWNERS.”

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District’s tax base occurred beyond the 2025 Taxable Assessed Valuation of \$643,239,036 (\$642,309,704 of certified value plus \$929,332 of uncertified value) or the 2026 Preliminary Taxable Assessed Valuation of \$703,468,750, which is subject to review and downward adjustment prior to certification. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements,” and “INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates.”

Average Annual Debt Service Requirement (2027-2052)	\$1,281,060
\$0.21 Tax Rate on the 2025 Taxable Assessed Valuation	\$1,283,262
\$0.20 Tax Rate on 2026 Preliminary Taxable Assessed Valuation	\$1,336,591
 Maximum Annual Debt Service Requirement (2028).....	 \$2,767,019
\$0.46 Tax Rate on the 2025 Taxable Assessed Valuation	\$2,810,955
\$0.42 Tax Rate on 2026 Preliminary Taxable Assessed Valuation	\$2,806,840

No representation or suggestion is made that the uncertified portion of the 2025 Taxable Assessed Valuation will not be adjusted downward or that the 2026 Preliminary Taxable Assessed Valuation, which is subject to review and downward adjustment prior to certification, provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See “TAXING PROCEDURES.”

TAXING PROCEDURES

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 an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see “INVESTMENT CONSIDERATIONS—Future Debt”) and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year-to-year as described more fully herein under “THE BONDS—Source of Payment.” Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and for the payment of certain contractual obligations. See “TAX DATA—Debt Service Tax” and “—Maintenance and Operations Tax.”

Property Tax Code and County-Wide Appraisal District

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

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district, with the responsibility for recording and appraising property for all taxing units within a county, and an appraisal review board, with responsibility for reviewing and equalizing the values established by the appraisal district. The Fort Bend Central Appraisal District (the “Appraisal District”) has the responsibility for appraising property for all taxing units within Fort Bend County, including the District. Such appraisal values are subject to review and change by the Fort Bend Central Appraisal Review Board (the “Appraisal Review Board”).

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt certain

residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. For the 2026 tax year, the Board of the District granted a \$10,000 tax exemption on residential homesteads for persons 65 years of age or older or disabled. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran, or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder as defined under Texas law, 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. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by June 30. The District has not granted a residential homestead exemption for the 2026 tax year. See "TAX DATA."

Freeport Goods 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 2012 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 personal property. A taxing unit must exercise its option to tax goods in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Fort Bend County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the City and the District, under certain circumstances, 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 appraised valuation of property covered by the agreement over its appraised 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 agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to 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 (3) years for agricultural use, open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The 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 formally to include such values on its appraisal roll.

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

District and Taxpayer Remedies

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

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

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 rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed, except as set forth herein with respect to residential homesteads. 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 for collection

costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continues to accrue during the period of deferral.

Tax Payment Installment After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, 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.

Additionally the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property as been damaged as a direct result of the disaster or emergency.

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

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

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax or both subject to the restrictions on residential homesteads described in the preceding section under "Levy and Collection of Taxes". 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 six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City, Fort Bend County, the State of Texas or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the District in an amount sufficient to service the District's bonded debt or in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District. See "THE BONDS—Source of Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of taxable property within the District will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "Registered Owners' Remedies and Bankruptcy Limitations" below.

Vacant Acreage and Vacant Lots

There are approximately 76 acres of land within the District that are served by underground trunkline utilities for future commercial development but have no vertical improvements and 89 vacant developed single-family residential lots. The District makes no representation as to when or if development of such acreages or construction of taxable improvements will occur. Future increases in value will result primarily from improvements constructed on such vacant acreage and vacant lots. See "THE DISTRICT—Land Use."

Development and Home Construction in the District

Future increases in value will result primarily from the construction of new homes or from improvements constructed on the approximately 76 acres in the District served by underground trunkline facilities. The District makes no representation with regard to whether or not the homebuilding and commercial development programs will be successful or if improvements will be constructed on such acreage. See "THE DISTRICT—Land Use" and "—Status of Development" and "THE DEVELOPERS AND MAJOR PROPERTY OWNERS."

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 commercial builders, 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 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 commercial construction 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.

Competition

The demand for and construction of single-family homes, multi-family and commercial properties in the District, which is 23 miles from downtown Houston, could be affected by competition from other residential and commercial developments including other residential developments located in the western portion of the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the District.

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. 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. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

According to the Operator, the system serving the District did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. Further, according to the Engineer, no homes or other improvements within the District experienced flooding or other material damage as a result of Hurricane Harvey.

If a future weather event significantly damaged all or part of the improvements 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 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.

Specific Flood Type 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 manmade drainage systems (canals or channels) downstream.

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2025 Taxable Assessed Valuation is \$643,239,036 (\$642,309,704 of certified value plus \$929,332 of uncertified value). After issuance of the Bonds, the maximum annual debt service requirement will be \$2,767,019 (2028), and the average annual debt service requirement will be \$1,281,060 (2027-2052 inclusive). Assuming no increase or decrease from the 2025 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, a tax rate of \$0.46 per \$100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and \$0.21 per \$100 taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the average annual debt service requirements. The 2026 Preliminary Taxable Assessed Valuation, is \$703,468,750, which is subject to review and downward adjustment prior to certification, which reduces the above calculations to \$0.42 and \$0.20 per \$100 of taxable assessed valuation, respectively. Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds and the Outstanding Bonds based upon the 2025 Taxable Assessed Valuation or the 2026 Preliminary Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements” and “TAX DATA—Tax Adequacy for Debt Service.”

No representation or suggestion is made that the uncertified portion (\$929,332) of the 2025 Taxable Assessed Valuation or the 2026 Preliminary Taxable Assessed Valuation of \$703,468,750, which is subject to review and downward adjustment prior to certification, will be the amounts finally certified by the Appraisal District and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See “TAXING PROCEDURES.”

Tax Collections Limitations and Foreclosure Remedies

The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other 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 procedures against a taxpayer or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes”), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor’s confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners’ Remedies and Bankruptcy Limitations

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 Resolution or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right 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 Resolution. Except for mandamus, the Bond Resolution 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 Resolution 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.

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

Notwithstanding noncompliance by a district with Texas law requirements, 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 a 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 the 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.

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. The District's voters have authorized the issuance of \$8,250,000 principal amount of unlimited tax bonds, \$8,250,000 principal amount of refunding bonds, \$13,530,000 in unlimited tax and refunding bonds, and \$29,790,000 in unlimited tax and refunding bonds, respectively. After issuance of the bonds, \$7,795,000 principal amount of combination unlimited tax and refunding bonds and \$2,139,943.44 principal amount of unlimited tax refunding bonds will remain authorized but unissued. Voters may authorize the issuance of additional bonds secured by ad valorem taxes in future elections. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds.

The Bonds represent a portion of the \$9,660,000 principal amount of bonds approved by the TCEQ. The District has not determined if or when the remaining amount approved by the TCEQ authorization will be issued. Such approval expires May 1, 2027, unless an extension is requested and granted by the TCEQ.

After reimbursement with Bond proceeds, the District will continue to owe Wilbow approximately \$2,477,713 for the construction of water, wastewater and drainage facilities. The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. Any bonds issued by the District, however, must be approved by the Attorney General of Texas, the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities must be approved by the TCEQ. Further, outstanding principal amount of park bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not more than three percent (3%) of the value of the taxable property in the District. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

Issuance of additional bonds could dilute the investment security for the Bonds.

Environmental Regulation and Air Quality

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

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

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

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

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

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

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

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

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

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and 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. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required 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. Costs associated with these compliance activities could be substantial in the future.

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

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

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

Marketability of the Bonds

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

Cybersecurity

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

Changes in Tax Legislation

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

Continuing Compliance with Certain Covenants

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Underwriter has entered into an agreement with Assured Guaranty Inc. ("AG" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P (as hereinafter defined) and "A1" (stable outlook) by Moody's (as hereinafter defined). See "MUNICIPAL BOND INSURANCE."

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

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

Neither the District nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied by the District, without limit as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel, to a like effect and to the effect that (i) interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and (ii) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this OFFICIAL STATEMENT under "THE BONDS," "THE DISTRICT—General," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this OFFICIAL STATEMENT nor has it conducted an investigation of the affairs of the District or the Developers for the purpose of passing upon the accuracy or completeness of this OFFICIAL STATEMENT. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Polley Garza PLLC also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Polley Garza PLLC in its capacity as General Counsel are based on time charges actually incurred or a fixed fee. The legal fees paid to Polley Garza PLLC in its capacity as Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and are earned upon sale and delivery of the Bonds.

No Material Adverse Change

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

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by both the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

TAX MATTERS

In the opinion of Polley Garza PLLC, Bond Counsel (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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

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

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

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

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, the Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under the Code. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

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 2026 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 2026.

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") assigned a municipal bond insured rating of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") assigned a municipal bond insured rating of "A1" (stable outlook), respectively, to the Bonds with the understanding that, upon issuance and delivery of the Bonds, a bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. ("AG" or the "Insurer"). Moody's has also assigned an underlying rating of "A3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by S&P or Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG" or the "Insurer") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. 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 to this OFFICIAL STATEMENT.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately \$3,158 million.
- The contingency reserve of AG was approximately \$1,539 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,402 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this OFFICIAL STATEMENT and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this OFFICIAL STATEMENT and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this OFFICIAL STATEMENT.

Any information regarding AG included herein under the caption "MUNICIPAL BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this OFFICIAL STATEMENT, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE".

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

In approving this OFFICIAL STATEMENT the District has relied upon the following consultants.

Tax Assessor/Collector: The information contained in this OFFICIAL STATEMENT relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" has been provided by Bob Leared Interests, Inc., and is included herein in reliance upon the authority of such firm as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by Quiddity Engineering LLC, Consulting Engineers and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The District's financial statements for the fiscal year ending June 30, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis, PLLC, Certified Public Accountants and are included in "APPENDIX A."

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—General Operating Fund" has been provided by Myrtle Cruz, Inc., and is included herein in reliance upon the authority of such firm as an expert in tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

If subsequent to the date of the OFFICIAL STATEMENT, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the OFFICIAL STATEMENT to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the OFFICIAL STATEMENT satisfactory to the Underwriter; provided, however, that the obligation of the District to the Underwriter to so amend or supplement the OFFICIAL STATEMENT will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this OFFICIAL STATEMENT other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the Board has relied in part upon its examination of records of the District, and upon discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has the following agreement for the benefit of the Registered and Beneficial Owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "THE SYSTEM," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) (except for "Estimated Overlapping Debt"), "TAX DATA," and in APPENDIX A (the District's Annual Financial Report and Supplemental Schedules). The District will update and provide this information to MSRB within six months after the end of each of its fiscal years ending in or after 2026. Any financial statements provided by the District 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 month period, and audited financial statements when the audit report becomes available.

The District's current fiscal year end is June 30. Accordingly, the District must provide updated information by December 31 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.

Specified Event Notices

The District will provide timely notices of certain events to the MRSB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of 17 CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties.

The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information from the MSRB

The District has agreed to provide the foregoing updated information only to the MSRB. The MSRB makes the information available to the public without charge through an internet portal at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition or prospects; nor has the District 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 Registered or Beneficial Owners 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 the 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 but only if 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 either the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and Beneficial Owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the Securities and Exchange Commission amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

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

MISCELLANEOUS

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

/s/ Kenneth Wiltz
Vice President, Board of Directors

ATTEST:

/s/ Keisha Hernandez
Secretary, Board of Directors

**AERIAL PHOTOGRAPH
(As of March 2026)**



FT. BEND PKWY.

HWY 6

TRAMMEL-FRESNO RD.

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT No. 48**



**PHOTOGRAPHS OF THE DISTRICT
(As of March 2026)**















APPENDIX A

Financial Statement of the District for the year ended June 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

*Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin*

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal Utility District No. 48
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 48 (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Fort Bend County Municipal Utility District No. 48

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

October 9, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Management’s discussion and analysis of Fort Bend County Municipal Utility District No. 48’s (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$13,130,298 as of June 30, 2025.

A portion of the District's net position reflects its net investment in capital assets (e.g. water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services within the District.

The following page offers a comparative analysis of the Statement of Net Position as of June 30, 2025, and June 30, 2024.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 10,720,322	\$ 9,217,510	\$ 1,502,812
Capital Assets (Net of Accumulated Depreciation)	<u>29,126,097</u>	<u>28,560,845</u>	<u>565,252</u>
Total Assets	<u>\$ 39,846,419</u>	<u>\$ 37,778,355</u>	<u>\$ 2,068,064</u>
Deferred Outflows of Resources	<u>\$ 200,019</u>	<u>\$ 225,072</u>	<u>\$ (25,053)</u>
Due to Developer	\$ 3,184,659	\$ 1,887,438	\$ (1,297,221)
Bonds Payable	22,882,404	24,689,124	1,806,720
Other Liabilities	<u>849,077</u>	<u>915,681</u>	<u>66,604</u>
Total Liabilities	<u>\$ 26,916,140</u>	<u>\$ 27,492,243</u>	<u>\$ 576,103</u>
Net Position:			
Net Investment in Capital Assets	\$ 3,473,846	\$ 2,701,385	\$ 772,461
Restricted	2,353,540	2,450,383	(96,843)
Unrestricted	<u>7,302,912</u>	<u>5,359,416</u>	<u>1,943,496</u>
Total Net Position	<u>\$ 13,130,298</u>	<u>\$ 10,511,184</u>	<u>\$ 2,619,114</u>

The District's net position increased by \$2,619,114, accounting for a 24.9% increase in net position. The following table provides a comparative analysis of the District's operations for the years ending June 30, 2025, and June 30, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 4,510,236	\$ 4,361,661	\$ 148,575
Charges for Services	1,119,531	1,269,343	(149,812)
Other Revenues	<u>470,198</u>	<u>467,441</u>	<u>2,757</u>
Total Revenues	<u>\$ 6,099,965</u>	<u>\$ 6,098,445</u>	<u>\$ 1,520</u>
Expenses for Services	<u>3,480,851</u>	<u>4,317,513</u>	<u>836,662</u>
Change in Net Position	\$ 2,619,114	\$ 1,780,932	\$ 838,182
Net Position, Beginning of Year	<u>10,511,184</u>	<u>8,730,252</u>	<u>1,780,932</u>
Net Position, End of Year	<u>\$ 13,130,298</u>	<u>\$ 10,511,184</u>	<u>\$ 2,619,114</u>

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2025, were \$9,717,469, an increase of \$1,494,849 from the prior year.

The General Fund fund balance increased by \$1,919,955, primarily due to service revenues, tax revenues, transfers in from the Capital Projects Fund and developer advances exceeding operating and capital costs.

The Debt Service Fund fund balance decreased by \$149,708, primarily due to the structure of the District's long-term debt.

The Capital Projects Fund fund balance decreased by \$275,398, primarily due to transfers of surplus bond proceeds to the General Fund to reimburse improvements previously funded by the General Fund for Lift Station No. 1 and Lift Station No. 2.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts a budget for the General Fund and amended the budget during the current fiscal year to increase projected property tax revenues and capital outlay. Actual revenues were \$177,103 more than budgeted revenues and actual expenditures were \$2,920,214 less than budgeted expenditures. Transfers in of \$286,716 and developer advances of \$750,046 were not budgeted for. This resulted in a positive variance compared to budget of \$4,134,079. See the budget to actual comparison on page 31 for further information.

CAPITAL ASSETS

The District's capital assets as of June 30, 2025, amounted to \$29,126,097 (net of accumulated depreciation). These capital assets include land, construction in progress as well as the water, wastewater and drainage systems and walking trails.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 1,955,361	\$ 1,955,361	\$
Construction in Progress	148,113		148,113
Capital Assets, Net of Accumulated Depreciation:			
Water System	4,630,212	4,553,696	76,516
Wastewater System	11,309,459	11,124,137	185,322
Drainage System	10,763,248	10,549,016	214,232
Walking Trail	319,704	378,635	(58,931)
Total Net Capital Assets	<u>\$ 29,126,097</u>	<u>\$ 28,560,845</u>	<u>\$ 565,252</u>

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

LONG-TERM DEBT ACTIVITY

As of June 30, 2025, the District had total bond debt payable of \$22,645,000.

The changes in the debt position of the District during the fiscal year ended June 30, 2025, are summarized as follows:

Bond Debt Payable, July 1, 2024	\$ 24,425,000
Less: Bond Principal Paid	<u>1,780,000</u>
Bond Debt Payable, June 30, 2025	<u>\$ 22,645,000</u>

The Series 2015, Series 2016, Series 2019 Refunding and Series 2021 bonds carry an underlying rating of “A3” from Moody’s and an insured rating of “AA” from S&P by virtue of bond insurance issued by BAM. The Series 2019, Series 2020 Refunding and Series 2022 bonds carry an underlying rating of “A3” from Moody’s and an insured rating of “AA” from S&P by virtue of bond insurance issued by AGM. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2026 projects a decrease in General Fund fund balance of \$2,299,247. Fiscal year 2026 revenues are expected to be \$3,525,947 and expenditures are expected to be \$5,825,194.

CONTACTING THE DISTRICT’S MANAGEMENT

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 48, c/o Polley Garza PLLC, 1401 Enclave Parkway, Suite 625, Houston, Texas 77077.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 120,406	\$ 95,601
Investments	7,646,187	2,278,019
Receivables:		
Property Taxes	92,143	131,775
Penalty and Interest on Delinquent Taxes		
Service Accounts	88,323	
Due from Other Funds	3,706	1,033
Prepaid Costs	11,592	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)	7,962,357	2,506,428
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
	\$ 7,962,357	\$ 2,506,428

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$	\$	\$
174,701	216,007		216,007
	10,098,907		10,098,907
	223,918		223,918
		61,114	61,114
	88,323		88,323
	4,739	(4,739)	
	11,592	20,461	32,053
		1,955,361	1,955,361
		148,113	148,113
		<u>27,022,623</u>	<u>27,022,623</u>
<u>174,701</u>	<u>10,643,486</u>	<u>29,202,933</u>	<u>39,846,419</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 200,019</u>	<u>\$ 200,019</u>
<u>\$ 174,701</u>	<u>\$ 10,643,486</u>	<u>\$ 29,402,952</u>	<u>\$ 40,046,438</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 407,141	\$
Accrued Interest Payable		
Due to Other Governmental Units	33,812	
Due to Developers	43,798	
Due to Other Funds	1,033	
Due to Taxpayers		18,487
Security Deposits	194,122	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 679,906	\$ 18,487
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 92,143	\$ 131,775
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 11,592	\$
Restricted for Authorized Construction		
Restricted for Debt Service		2,356,166
Assigned to 2026 Budget Deficit	2,299,247	
Unassigned	4,879,469	
TOTAL FUND BALANCES	\$ 7,190,308	\$ 2,356,166
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,962,357	\$ 2,506,428
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 407,141	\$	\$ 407,141
		195,515	195,515
	33,812		33,812
	43,798	3,140,861	3,184,659
3,706	4,739	(4,739)	
	18,487		18,487
	194,122		194,122
		1,780,000	1,780,000
		<u>21,102,404</u>	<u>21,102,404</u>
<u>\$ 3,706</u>	<u>\$ 702,099</u>	<u>\$ 26,214,041</u>	<u>\$ 26,916,140</u>
<u>\$ -0-</u>	<u>\$ 223,918</u>	<u>\$ (223,918)</u>	<u>\$ -0-</u>
\$	\$ 11,592	\$ (11,592)	\$
170,995	170,995	(170,995)	
	2,356,166	(2,356,166)	
	2,299,247	(2,299,247)	
	<u>4,879,469</u>	<u>(4,879,469)</u>	
<u>\$ 170,995</u>	<u>\$ 9,717,469</u>	<u>\$ (9,717,469)</u>	<u>\$ -0-</u>
<u>\$ 174,701</u>	<u>\$ 10,643,486</u>		
		\$ 3,473,846	\$ 3,473,846
		2,353,540	2,353,540
		<u>7,302,912</u>	<u>7,302,912</u>
		<u>\$ 13,130,298</u>	<u>\$ 13,130,298</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds	\$ 9,717,469
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter. The District also amortizes prepaid bond insurance over the term of the bonds.	220,480
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	29,126,097
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.	285,032
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developer	\$ (3,140,861)	
Accrued Interest Payable	(195,515)	
Bonds Payable	<u>(22,882,404)</u>	<u>(26,218,780)</u>

Total Net Position - Governmental Activities	<u>\$ 13,130,298</u>
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The accompanying notes to the financial statements are an integral part of this report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 2,233,022	\$ 2,227,788
Water Service	270,644	
Wastewater Service	567,314	
Groundwater Reduction Fees	225,421	
Penalty and Interest	13,464	18,055
Tap Connection and Inspection Fees	11,140	
Investment Revenues	298,489	97,305
Miscellaneous Revenues	63,076	10
TOTAL REVENUES	\$ 3,682,570	\$ 2,343,158
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 281,254	\$ 4,494
Contracted Services	371,467	76,052
Purchased Water and Wastewater Service	494,897	
Utilities	3,620	
Repairs and Maintenance	611,041	
Depreciation		
Other	119,439	11,501
Capital Outlay	898,159	
Debt Service:		
Bond Principal		1,780,000
Bond Interest		620,819
Bond Issuance Costs	19,500	
TOTAL EXPENDITURES/EXPENSES	\$ 2,799,377	\$ 2,492,866
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	\$ 883,193	\$ (149,708)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 286,716	\$
Developer Advances	750,046	
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,036,762	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 1,919,955	\$ (149,708)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2024	5,270,353	2,505,874
FUND BALANCES/NET POSITION - JUNE 30, 2025	\$ 7,190,308	\$ 2,356,166

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 4,460,810	\$ 49,426	\$ 4,510,236
	270,644		270,644
	567,314		567,314
	225,421		225,421
	31,519	13,493	45,012
	11,140		11,140
11,318	407,112		407,112
	63,086		63,086
\$ 11,318	\$ 6,037,046	\$ 62,919	\$ 6,099,965
\$	\$ 285,748	\$	\$ 285,748
	447,519		447,519
	494,897		494,897
	3,620		3,620
	611,041		611,041
		881,921	881,921
	130,940		130,940
	898,159	(898,159)	
	1,780,000	(1,780,000)	
	620,819	(15,154)	605,665
	19,500		19,500
\$ -0-	\$ 5,292,243	\$ (1,811,392)	\$ 3,480,851
\$ 11,318	\$ 744,803	\$ 1,874,311	\$ 2,619,114
\$ (286,716)	\$ -0-	\$ -0-	\$ -0-
	750,046	(750,046)	
\$ (286,716)	\$ 750,046	\$ (750,046)	\$ -0-
\$ (275,398)	\$ 1,494,849	\$ (1,494,849)	\$
		2,619,114	2,619,114
446,393	8,222,620	2,288,564	10,511,184
\$ 170,995	\$ 9,717,469	\$ 3,412,829	\$ 13,130,298

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

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds	\$ 1,494,849
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	49,426
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	13,493
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(881,921)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	898,159
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	1,780,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	15,154
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances, net any amount paid to the developer, are recorded as a liability.	<u>(750,046)</u>
Change in Net Position - Governmental Activities	<u>\$ 2,619,114</u>

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 48, located in Fort Bend County, Texas, (the “District”) was created effective March 8, 1983, by an Order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on April 25, 1983, and the first bonds were issued on August 9, 1984.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund – To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Debt Service Fund – To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of June 30, 2025, the General Fund owes the Debt Service Fund \$1,033 consisting of \$14,908 for excess maintenance tax collections transferred by the Tax Fund to the General Fund offset by the Debt Service Fund owing the General Fund \$13,875 for bond issuance costs and fiscal agent fees; and the Capital Projects Fund owes the General Fund \$3,706 for bond issuance costs. See Note 11 for information regarding the transfer of funds from the Capital Projects Fund to the General Fund.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-40
All Other Equipment	3-20

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. As of June 30, 2025, the District has assigned \$2,299,247 of the General Fund fund balance for a projected budget deficit for the fiscal year ending June 30, 2026.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT

	Series 2015	Series 2016	Series 2019	Refunding Series 2019
Amounts Outstanding – June 30, 2025	\$2,215,000	\$1,665,000	\$6,325,000	\$1,200,000
Interest Rates	2.625% - 3.50%	2.00% - 3.00%	2.25% - 3.50%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2025/2037	October 1, 2025/2037	October 1, 2025/2038	October 1, 2025/2032
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1	October 1/ April 1
Callable Dates	October 1, 2023*	October 1, 2023*	October 1, 2024*	October 1, 2024*
	Refunding Series 2020	Series 2021	Series 2022	
Amounts Outstanding – June 30, 2025	\$3,800,000	\$4,900,000	\$2,540,000	
Interest Rates	2.00%	1.00% - 3.00%	3.00% - 4.00%	
Maturity Dates – Serially Beginning/Ending	April 1, 2026/2034	October 1, 2025/2040	October 1, 2025/2041	
Interest Payment Dates	October 1/ April 1	October 1/ April 1	October 1/ April 1	
Callable Dates	April 1, 2026*	October 1, 2025*	October 1, 2028*	

* Bonds maturing on or after this date are subject to being called at par value plus accrued interest from the most recent integral payment date to the date fixed for redemption. Series 2015 term bonds maturing on October 1, 2027, October 1, 2029, October 1, 2032, October 1, 2034, and October 1, 2037, are subject to mandatory redemption beginning October 1, 2026, October 1, 2028, October 1, 2031, October 1, 2033, and October 1, 2035, respectively. Series 2016 term bonds maturing on October 1, 2028, October 1, 2030, October 1, 2032, October 1, 2035, and October 1, 2037, are subject to mandatory redemption beginning October 1, 2027, October 1, 2029, October 1, 2031, October 1, 2033, and October 1, 2036, respectively. Series 2019 term bonds maturing on October 1, 2038 are subject to mandatory redemption beginning October 1, 2037. Series 2019 Refunding term bonds maturing on October 1, 2031 are subject to mandatory redemption beginning October 1, 2027. Series 2020 Refunding term bonds maturing on April 1, 2032, are subject to mandatory redemption on April 1, 2030. Series 2021 term bonds maturing on October 1, 2040, are subject to mandatory redemption on October 1, 2039. Series 2022 term bonds maturing October 1, 2029, October 1, 2031, October 1, 2033, October 1, 2035, October 1, 2037, October 1, 2039, and October 1, 2041, are subject to mandatory redemption beginning October 1, 2028, October 1, 2030, October 1, 2032, October 1, 2034, October 1, 2036, October 1, 2038, and October 1, 2040, respectively.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2025:

	July 1, 2024	Additions	Retirements	June 30, 2025
Bonds Payable	\$ 24,425,000	\$	\$ 1,780,000	\$ 22,645,000
Unamortized Discounts	(25,260)		(1,728)	(23,532)
Unamortized Premiums	289,384		28,448	260,936
Bonds Payable, Net	\$ 24,689,124	\$ -0-	\$ 1,806,720	\$ 22,882,404
			Amount Due Within One Year	\$ 1,780,000
			Amount Due After One Year	21,102,404
			Bonds Payable, Net	\$ 22,882,404

As of June 30, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 1,780,000	\$ 571,688	\$ 2,351,688
2027	1,735,000	530,524	2,265,524
2028	1,740,000	491,525	2,231,525
2029	1,755,000	451,618	2,206,618
2030	1,250,000	412,062	1,662,062
2031-2035	8,635,000	1,404,031	10,039,031
2036-2040	5,155,000	410,714	5,565,714
2041-2042	595,000	14,650	609,650
	\$ 22,645,000	\$ 4,286,812	\$ 26,931,812

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

During the year ended June 30, 2025, the District levied an ad valorem debt service tax rate of \$0.36 per \$100 of assessed valuation, which resulted in a tax levy of \$2,271,588 on the adjusted taxable valuation of \$630,996,653 for the 2024 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3. LONG-TERM DEBT (Continued)

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

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions state the District will maintain insurance on the system of a kind and in amount which usually would be carried by private companies engaged in a similar type of business, but considering any governmental immunities to which the District may be entitled.

The bond resolutions state that the District is required to provide continuing disclosure of certain general financial information and operating data, as well as notice of certain material events as defined by federal securities laws, with respect to the District to the Municipal Securities Rulemaking Board through its EMMA system. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$216,007 and the bank balance was \$219,536. The District was not exposed to custodial credit risk at year-end.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2025, as listed below:

	Cash
GENERAL FUND	\$ 120,406
DEBT SERVICE FUND	95,601
TOTAL DEPOSITS	\$ 216,007

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool and TexSTAR, external investment pools that are not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. Federated Investors, Inc. manages the daily operations of TexPool under a contract with the Comptroller. First Southwest Asset Management, Inc., and JPMorgan Chase manage the daily operations of TexSTAR. TexPool and TexSTAR meet the criteria established in GASB No. 79 and measure all of their portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool and TexSTAR at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool or TexSTAR.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 5,491,666	\$ 5,491,666
TexSTAR	2,154,521	2,154,521
<u>DEBT SERVICE FUND</u>		
TexPool	1,841,637	1,841,637
TexSTAR	436,382	436,382
<u>CAPITAL PROJECTS FUND</u>		
TexPool	174,701	174,701
TOTAL INVESTMENTS	<u><u>\$ 10,098,907</u></u>	<u><u>\$ 10,098,907</u></u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the District's investments in TexPool and TexSTAR were rated AAAM by Standard and Poor's.

Interest rate risk is the risk the changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and TexSTAR to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 1,955,361	\$	\$	\$ 1,955,361
Construction in Progress		148,113		148,113
Total Capital Assets Not Being Depreciated	<u>\$ 1,955,361</u>	<u>\$ 148,113</u>	<u>\$ - 0 -</u>	<u>\$ 2,103,474</u>
Capital Assets Subject to Depreciation				
Water System	\$ 6,343,323	\$ 218,125	\$	\$ 6,561,448
Wastewater System	14,666,872	531,920		15,198,792
Drainage System	14,738,849	549,015		15,287,864
Walking Trail	728,810			728,810
Total Capital Assets Subject to Depreciation	<u>\$ 36,477,854</u>	<u>\$ 1,299,060</u>	<u>\$ -0-</u>	<u>\$ 37,776,914</u>
Accumulated Depreciation				
Water System	\$ 1,789,627	\$ 141,609	\$	\$ 1,931,236
Wastewater System	3,542,735	346,598		3,889,333
Drainage System	4,189,833	334,783		4,524,616
Walking Trail	350,175	58,931		409,106
Total Accumulated Depreciation	<u>\$ 9,872,370</u>	<u>\$ 881,921</u>	<u>\$ -0-</u>	<u>\$ 10,754,291</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 26,605,484</u>	<u>\$ 417,139</u>	<u>\$ -0-</u>	<u>\$ 27,022,623</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 28,560,845</u>	<u>\$ 565,252</u>	<u>\$ -0-</u>	<u>\$ 29,126,097</u>

NOTE 7. MAINTENANCE TAX

On July 16, 1983, the voters of the District approved the levy and collection of a maintenance tax without limitation as to rate or amount on all property subject to taxation within the District. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax rate of \$0.36 per \$100 of assessed valuation, which resulted in a tax levy of \$2,271,588 on the adjusted taxable valuation of \$630,996,653 for the 2024 tax year. This maintenance tax is to be used by the General Fund to pay operating and maintenance expenditures of the District.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. REGIONAL WASTEWATER TREATMENT AND WATER SUPPLY AGREEMENT

On October 4, 2004, the District entered into a Regional Wastewater Treatment and Water Supply Agreement (the “2004 Agreement”) with the City of Missouri City, Texas (the “City”), Fort Bend County Municipal Utility District No. 47 (“District No. 47”) and Vicksburg Joint Powers Board. The District and District No. 47 owned the Vicksburg wastewater treatment plant (“WWTP”) that had 0.35 million gallons per day (mgd) of capacity and the Vicksburg water plant that had .66 mgd of capacity. The District and District No. 47 amended the TCEQ waste discharge permit for the Vicksburg WWTP in order for an expansion of up to 0.20 mgd to be made to such facility through the use of package plants and resulting in an ultimate capacity of 0.55 mgd. This expansion was completed in December 2006 and the WWTP had capacity of 0.55 mgd, in which the City owns 0.20 mgd. The District and District No. 47 obtained a new discharge permit that allowed for an expansion of 0.40 mgd (total plant capacity of up to 0.95 mgd). This expansion was complete in December of 2009, giving the WWTP capacity of 0.95 mgd, in which the City would own 0.60 mgd. Pursuant to that certain “Regional Wastewater Treatment Facilities Agreement by and between the City of Missouri City, Texas and Fort Bend County Municipal Utility District No. 48” dated March 1, 2010 (the “2010 Agreement”), the District transferred all of its rights, title, and interest in the WWTP to the City for ownership and operation. This 2010 Agreement supersedes the 2004 Agreement.

Under the terms of the 2010 Agreement, the City is obligated to accept all domestic wastewater from the District at the WWTP. The District reserved .175 mgd of capacity in the WWTP. The District may purchase additional capacity from the City by paying a capital recovery fee established by the City in an amount equal to the per gallon capital costs of the WWTP (initial estimated fee is \$4.10 per gallon). The District has a right of first refusal to an additional .14 mgd. The WWTP currently has a capacity of .95 mgd. The City is obligated to expand the WWTP as needed to accommodate development in the area. Under the terms of the 2010 Agreement, the District is also obligated to pay a pro rata share of the operating expenses of the WWTP.

Pursuant to that certain “Regional Joint Water Facilities Agreement by and between the City of Missouri City, Texas and Fort Bend Municipal Utility District No. 48” dated September 6, 2011 (the “2011 Agreement”), the District transferred all of its rights, title, and interest in the water plant to the City for ownership and operation. During the current year, the District recorded expenditures of \$494,897 for purchased water and wastewater service from the City.

Under the terms of the 2011 Agreement, the District has been allocated .38 mgd of reserved capacity. The District may not contract with any third party for water services without obtaining prior approval from the City. The District may purchase additional capacity from the City by paying a capital recovery fee. The City is obligated to expand its water production system to accommodate growth in the District as needed. The District is obligated to submit annual growth projections to the City.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9. REGIONAL WASTEWATER TREATMENT AND WATER SUPPLY AGREEMENT (Continued)

On February 15, 2016, the District and the City entered into a Utility Agreement that modified the 2010 Agreement and the 2011 Agreement related to future development in the District. The Utility Agreement was amended on March 20, 2017. The current Agreement provides that future water and sewer customers will be served directly by the City. The City will own and operate the sewer collection system and keep all revenues of the system. Capacity will be purchased thru a capital recovery fee.

NOTE 10. UNREIMBURSED COSTS

The District has entered into development financing agreements with developers within the District. The developers have made expenditures on behalf of the District for various projects for which the District has not sold bonds. As of the balance sheet date, the District has recorded a liability in the amount of \$3,140,861 for completed projects and construction advances paid for by the developers related to construction and engineering of utilities within the District.

The following table summarizes the current year activity related to unreimbursed developer costs for completed projects and operating advances:

Due to Developers, beginning of year	\$ 1,841,801
Additions	<u>1,299,060</u>
Due to Developers, end of year	<u>\$ 3,140,861</u>

NOTE 11. USE OF SURPLUS FUNDS

On August 11, 2022, in accordance with Commission rules, the District approved the use of surplus Capital Projects Fund monies to pay for costs associated with the Lift Station Rehabilitation Project. This project was completed during the prior fiscal year and, in the current fiscal year, \$286,716 of surplus funds were transferred from the Capital Projects Fund to the General Fund to reimburse costs associated with the Lift Station Rehabilitation Project.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	\$ 1,869,271	\$ 2,234,467	\$ 2,233,022	\$ (1,445)
Water Service	315,000	315,000	270,644	(44,356)
Wastewater Service	570,000	570,000	567,314	(2,686)
Groundwater Reduction Fees	210,000	210,000	225,421	15,421
Penalty and Interest	12,000	12,000	13,464	1,464
Tap Connection and Inspection Fees	19,000	19,000	11,140	(7,860)
Investment Revenues	100,000	100,000	298,489	198,489
Miscellaneous Revenues	45,000	45,000	63,076	18,076
TOTAL REVENUES	\$ 3,140,271	\$ 3,505,467	\$ 3,682,570	\$ 177,103
EXPENDITURES				
Service Operations:				
Professional Fees	\$ 241,500	\$ 241,500	\$ 281,254	\$ (39,754)
Contracted Services	352,000	352,000	371,467	(19,467)
Purchased Water and Wastewater Service	966,724	966,724	494,897	471,827
Utilities	13,000	13,000	3,620	9,380
Repairs and Maintenance	940,767	940,767	611,041	329,726
Other	139,400	139,400	119,439	19,961
Capital Outlay	2,485,536	3,066,200	898,159	2,168,041
Bond Issuance Costs			19,500	(19,500)
TOTAL EXPENDITURES	\$ 5,138,927	\$ 5,719,591	\$ 2,799,377	\$ 2,920,214
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,998,656)	\$ (2,214,124)	\$ 883,193	\$ 3,097,317
OTHER FINANCING SOURCES				
Transfers In	\$ -0-	\$ -0-	\$ 286,716	\$ 286,716
Developer Advances			750,046	750,046
TOTAL OTHER FINANCING SOURCES	\$ -0-	\$ -0-	\$ 1,036,762	\$ 1,036,762
NET CHANGE IN FUND BALANCE	\$ (1,998,656)	\$ (2,214,124)	\$ 1,919,955	\$ 4,134,079
FUND BALANCE - JULY 1, 2024	5,270,353	5,270,353	5,270,353	
FUND BALANCE - JUNE 30, 2025	\$ 3,271,697	\$ 3,056,229	\$ 7,190,308	\$ 4,134,079

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2025

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025**

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4” METER (OR EQUIVALENT):

Based on the rate order approved November 14, 2024.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 12.00	5,000	N	\$ 1.25 \$ 1.50 \$ 1.75 \$ 2.00	5,001 to 10,000 10,001 to 15,000 15,001 to 20,000 20,001 and up
WASTEWATER:	\$ 38.64		Y		
SURCHARGE: Surface Water Fee	Fee charged by Missouri City plus \$0.05 per 1,000 gallons of usage		N	\$ 2.04	1,000 and up

District employs winter averaging for wastewater usage? X
Yes No

Total monthly charges per 10,000 gallons usage: Water: \$18.25 Wastewater: \$38.64 Surcharge: \$20.40

See accompanying independent auditor’s report.

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤ ³ / ₄ "	<u>1,178</u>	<u>1,175</u>	x 1.0	<u>1,175.0</u>
1"	<u>27</u>	<u>27</u>	x 2.5	<u>67.5</u>
1½"	<u>2</u>	<u>2</u>	x 5.0	<u>10.0</u>
2"	<u>12</u>	<u>12</u>	x 8.0	<u>96.0</u>
3"			x 15.0	
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25.0</u>
6"	<u>1</u>	<u>1</u>	x 50.0	<u>50.0</u>
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>1,221</u></u>	<u><u>1,218</u></u>		<u><u>1,423.5</u></u>
Total Wastewater Connections	<u><u>1,198</u></u>	<u><u>1,195</u></u>	x 1.0	<u><u>1,195.0</u></u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	-0-	Water Accountability Ratio: 100%
		(Gallons billed/Gallons purchased)
Gallons billed to customers:	109,723,000	
Gallons purchased:	109,723,000	From: City of Missouri City, Texas

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

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

Does the District have Debt Service standby fees? Yes No

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County or Counties in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely Partly Not at all

City in which District is located:

City of Missouri City, Texas

Is the general membership of the Board appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

PROFESSIONAL FEES:	
Auditing	\$ 19,250
Engineering	119,406
Legal	<u>142,598</u>
TOTAL PROFESSIONAL FEES	<u>\$ 281,254</u>
PURCHASED SERVICES FOR RESALE -	
Water and Wastewater Service	<u>\$ 494,897</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 31,650
Operations and Billing	109,470
Solid Waste Disposal	<u>230,347</u>
TOTAL CONTRACTED SERVICES	<u>\$ 371,467</u>
UTILITIES -	
Electricity and Telephone	<u>\$ 3,620</u>
REPAIRS AND MAINTENANCE	<u>\$ 611,041</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 30,277
Election Costs	341
Insurance	11,076
Office Supplies and Postage	7,035
Payroll Taxes	2,366
Travel and Meetings	<u>15,343</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 66,438</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL OUTLAY	<u>\$ 898,159</u>
TAP CONNECTIONS	<u>\$ 4,955</u>
OTHER EXPENDITURES:	
Laboratory Fees	\$ 7,548
Permit Fees	3,341
Inspection Fees	22,147
Regulatory Assessment	4,080
Other	<u>10,930</u>
TOTAL OTHER EXPENDITURES	<u>\$ 48,046</u>
DEBT SERVICE -	
Bond Issuance Costs	<u>\$ 19,500</u>
TOTAL EXPENDITURES	<u><u>\$ 2,799,377</u></u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
INVESTMENTS
JUNE 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0003	Varies	Daily	\$ 5,491,666	\$
TexSTAR	XXXX2220	Varies	Daily	<u>2,154,521</u>	<u> </u>
TOTAL GENERAL FUND				<u>\$ 7,646,187</u>	<u>\$ - 0 -</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	\$ 1,841,637	\$
TexSTAR	XXXX3330	Varies	Daily	<u>436,382</u>	<u> </u>
TOTAL DEBT SERVICE FUND				<u>\$ 2,278,019</u>	<u>\$ - 0 -</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	XXXX0002	Varies	Daily	<u>174,701</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 10,098,907</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JULY 1, 2024	\$ 66,139		\$ 108,353	
Adjustments to Beginning				
Balance	<u>(12,292)</u>	\$ 53,847	<u>(20,378)</u>	\$ 87,975
Original 2024 Tax Levy	\$ 2,264,879		\$ 2,264,879	
Adjustment to 2024 Tax Levy	<u>6,709</u>	<u>2,271,588</u>	<u>6,709</u>	<u>2,271,588</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 2,325,435		\$ 2,359,563
TAX COLLECTIONS:				
Prior Years	\$ (4,497)		\$ (9,731)	
Current Year	<u>2,237,519</u>	<u>2,233,022</u>	<u>2,237,519</u>	<u>2,227,788</u>
TAXES RECEIVABLE -				
JUNE 30, 2025		<u>\$ 92,413</u>		<u>\$ 131,775</u>
TAXES RECEIVABLE BY				
YEAR:				
2024		\$ 34,069		\$ 34,069
2023		11,702		15,854
2022		8,473		13,732
2021		5,558		13,532
2020		3,788		8,505
2019		5,421		10,577
2018 and prior		<u>23,402</u>		<u>35,506</u>
TOTAL		<u>\$ 92,413</u>		<u>\$ 131,775</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	\$ 108,674,205	\$ 86,092,892	\$ 82,705,620	\$ 78,498,360
Improvements	566,030,988	581,480,271	497,184,678	349,411,994
Personal Property	6,639,439	6,671,308	5,019,688	4,346,750
Exemptions	<u>(50,347,979)</u>	<u>(75,362,817)</u>	<u>(63,303,675)</u>	<u>(14,411,357)</u>
TOTAL PROPERTY VALUATIONS	<u><u>\$ 630,996,653</u></u>	<u><u>\$ 598,881,654</u></u>	<u><u>\$ 521,606,311</u></u>	<u><u>\$ 417,845,747</u></u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.36	\$ 0.42	\$ 0.47	\$ 0.56
Maintenance	<u>0.36</u>	<u>0.31</u>	<u>0.29</u>	<u>0.23</u>
TOTAL TAX RATES PER \$100 VALUATION	<u><u>\$ 0.72</u></u>	<u><u>\$ 0.73</u></u>	<u><u>\$ 0.76</u></u>	<u><u>\$ 0.79</u></u>
ADJUSTED TAX LEVY*	<u><u>\$ 4,543,176</u></u>	<u><u>\$ 4,371,836</u></u>	<u><u>\$ 3,964,208</u></u>	<u><u>\$ 3,300,982</u></u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u><u>98.50 %</u></u>	<u><u>99.37 %</u></u>	<u><u>99.44 %</u></u>	<u><u>99.42 %</u></u>

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

Maintenance Tax – Maximum tax rate voted without limitation as to rate or amount approved by voters on July 16, 1983.

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 1 5			
Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	\$ 150,000	\$ 66,994	\$ 216,994
2027	150,000	62,868	212,868
2028	150,000	58,556	208,556
2029	150,000	54,150	204,150
2030	150,000	49,650	199,650
2031	400,000	41,400	441,400
2032	150,000	33,056	183,056
2033	150,000	28,369	178,369
2034	150,000	23,588	173,588
2035	150,000	18,713	168,713
2036	150,000	13,650	163,650
2037	150,000	8,400	158,400
2038	165,000	2,888	167,888
2039			
2040			
2041			
2042			
	\$ 2,215,000	\$ 462,282	\$ 2,677,282

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 1 6

Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	\$ 125,000	\$ 43,700	\$ 168,700
2027	125,000	41,200	166,200
2028	125,000	38,388	163,388
2029	125,000	35,262	160,262
2030	125,000	31,981	156,981
2031	125,000	28,544	153,544
2032	125,000	25,106	150,106
2033	125,000	21,669	146,669
2034	125,000	18,075	143,075
2035	125,000	14,325	139,325
2036	135,000	10,425	145,425
2037	140,000	6,300	146,300
2038	140,000	2,100	142,100
2039			
2040			
2041			
2042			
	<u>\$ 1,665,000</u>	<u>\$ 317,075</u>	<u>\$ 1,982,075</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 1 9			
Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	\$ 350,000	\$ 194,438	\$ 544,438
2027	350,000	185,250	535,250
2028	350,000	174,750	524,750
2029	375,000	163,875	538,875
2030	375,000	152,625	527,625
2031	525,000	139,125	664,125
2032	500,000	123,750	623,750
2033	500,000	108,750	608,750
2034	500,000	93,438	593,438
2035	500,000	77,500	577,500
2036	500,000	60,938	560,938
2037	500,000	43,750	543,750
2038	500,000	26,250	526,250
2039	500,000	8,750	508,750
2040			
2041			
2042			
	\$ 6,325,000	\$ 1,553,189	\$ 7,878,189

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

REFUNDING SERIES - 2019

Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	\$ 5,000	\$ 35,850	\$ 40,850
2027	5,000	35,750	40,750
2028	5,000	35,625	40,625
2029	5,000	35,475	40,475
2030	5,000	35,325	40,325
2031	5,000	35,175	40,175
2032	525,000	27,225	552,225
2033	645,000	9,675	654,675
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	<u>\$ 1,200,000</u>	<u>\$ 250,100</u>	<u>\$ 1,450,100</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

REFUNDING SERIES - 2020

Due During Fiscal Years Ending June 30	Principal Due April 1	Interest Due October 1/ April 1	Total
2026	\$ 690,000	\$ 76,000	\$ 766,000
2027	645,000	62,200	707,200
2028	650,000	49,300	699,300
2029	640,000	36,300	676,300
2030	140,000	23,500	163,500
2031	140,000	20,700	160,700
2032	35,000	17,900	52,900
2033	440,000	17,200	457,200
2034	420,000	8,400	428,400
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
	<u>\$ 3,800,000</u>	<u>\$ 311,500</u>	<u>\$ 4,111,500</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 2 1			
Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	\$ 310,000	\$ 69,231	\$ 379,231
2027	310,000	63,031	373,031
2028	310,000	59,931	369,931
2029	310,000	56,831	366,831
2030	305,000	53,756	358,756
2031	305,000	50,516	355,516
2032	305,000	47,084	352,084
2033	305,000	43,463	348,463
2034	305,000	39,459	344,459
2035	305,000	35,075	340,075
2036	305,000	30,309	335,309
2037	305,000	25,353	330,353
2038	305,000	20,206	325,206
2039	305,000	14,869	319,869
2040	305,000	9,150	314,150
2041	305,000	3,050	308,050
2042			
	\$ 4,900,000	\$ 621,314	\$ 5,521,314

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

S E R I E S - 2 0 2 2				
Due During Fiscal Years Ending June 30	Principal Due October 1	Interest Due October 1/ April 1	Total	
2026	\$ 150,000	\$ 85,475	\$	235,475
2027	150,000	80,225		230,225
2028	150,000	74,975		224,975
2029	150,000	69,725		219,725
2030	150,000	65,225		215,225
2031	150,000	60,725		210,725
2032	150,000	56,225		206,225
2033	150,000	51,538		201,538
2034	150,000	46,663		196,663
2035	150,000	41,600		191,600
2036	150,000	36,350		186,350
2037	150,000	31,006		181,006
2038	150,000	25,569		175,569
2039	150,000	20,038		170,038
2040	150,000	14,413		164,413
2041	145,000	8,700		153,700
2042	145,000	2,900		147,900
	\$ 2,540,000	\$ 771,352	\$	3,311,352

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 1,780,000	\$ 571,688	\$ 2,351,688
2027	1,735,000	530,524	2,265,524
2028	1,740,000	491,525	2,231,525
2029	1,755,000	451,618	2,206,618
2030	1,250,000	412,062	1,662,062
2031	1,650,000	376,185	2,026,185
2032	1,790,000	330,346	2,120,346
2033	2,315,000	280,664	2,595,664
2034	1,650,000	229,623	1,879,623
2035	1,230,000	187,213	1,417,213
2036	1,240,000	151,672	1,391,672
2037	1,245,000	114,809	1,359,809
2038	1,260,000	77,013	1,337,013
2039	955,000	43,657	998,657
2040	455,000	23,563	478,563
2041	450,000	11,750	461,750
2042	145,000	2,900	147,900
	<u>\$ 22,645,000</u>	<u>\$ 4,286,812</u>	<u>\$ 26,931,812</u>

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2025

Description	Original Bonds Issued	Bonds Outstanding July 1, 2024
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Bonds - Series 2015	\$ 3,565,000	\$ 2,365,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Bonds - Series 2016	2,665,000	1,790,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Bonds - Series 2019	8,075,000	6,675,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Refunding Bonds - Series 2019	2,370,000	1,205,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Refunding Bonds - Series 2020	5,755,000	4,490,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Bonds - Series 2021	5,830,000	5,210,000
Fort Bend County Municipal Utility District No. 48 Unlimited Tax Bonds - Series 2022	<u>2,840,000</u>	<u>2,690,000</u>
TOTAL	<u>\$ 31,100,000</u>	<u>\$ 24,425,000</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding June 30, 2025</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 150,000	\$ 70,838	\$ 2,215,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	125,000	46,200	1,665,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	350,000	201,875	6,325,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	5,000	35,950	1,200,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	690,000	96,700	3,800,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	310,000	78,531	4,900,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	<u>150,000</u>	<u>90,725</u>	<u>2,540,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
<u>\$ - 0 -</u>	<u>\$ 1,780,000</u>	<u>\$ 620,819</u>	<u>\$ 22,645,000</u>	

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2025

Bond Authority:	Tax Bonds	Refunding Bonds	Tax and Refunding Bonds
Amount Authorized by Voters	\$ 8,250,000	\$ 8,250,000	\$ 43,320,000
Amount Issued	8,250,000	6,110,057	28,935,000
Remaining to be Issued	\$ - 0 -	\$ 2,139,943	\$ 14,385,000
Debt Service Fund cash and investment balances as of June 30, 2025:			\$ 2,373,620
Average annual debt service payment (principal and interest) for remaining term of all debt:			\$ 1,584,224

See Note 3 for interest rate, interest payment dates and maturity dates.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 2,233,022	\$ 1,846,339	\$ 1,499,911
Water Service	270,644	284,833	270,997
Wastewater Service	567,314	546,065	579,138
Groundwater Reduction Fees	225,421	238,891	204,200
Penalty and Interest	13,464	26,847	24,386
Tap Connection and Inspection Fees	11,140	143,755	7,365
Investment Revenues	298,489	282,247	172,476
Miscellaneous Revenues	63,076	52,181	32,989
TOTAL REVENUES	\$ 3,682,570	\$ 3,421,158	\$ 2,791,462
EXPENDITURES			
Professional Fees	\$ 281,254	\$ 248,537	\$ 276,621
Purchased and Contracted Services	866,364	1,216,179	1,048,172
Utilities	3,620	11,916	16,158
Repairs and Maintenance	611,041	1,083,829	518,328
Other	119,439	155,479	104,283
Capital Outlay	898,159	752,044	
Bond Issuance Costs	19,500		
TOTAL EXPENDITURES	\$ 2,799,377	\$ 3,467,984	\$ 1,963,562
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 883,193	\$ (46,826)	\$ 827,900
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 286,716	\$	\$ 53,813
Developer Advances	750,046	440,341	
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,036,762	\$ 440,341	\$ 53,813
NET CHANGE IN FUND BALANCE	\$ 1,919,955	\$ 393,515	\$ 881,713
BEGINNING FUND BALANCE	5,270,353	4,876,838	3,995,125
ENDING FUND BALANCE	\$ 7,190,308	\$ 5,270,353	\$ 4,876,838

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2022	2021	2025	2024	2023	2022	2021
\$ 959,338	\$ 965,540	60.7 %	53.9 %	53.7 %	46.8 %	46.3 %
261,877	275,054	7.3	8.3	9.7	12.8	13.2
584,202	588,967	15.4	16.0	20.7	28.5	28.3
187,365	203,192	6.1	7.0	7.3	9.1	9.8
21,974	13,994	0.4	0.8	0.9	1.1	0.7
6,720	7,430	0.3	4.2	0.3	0.3	0.4
9,770	9,343	8.1	8.3	6.2	0.5	0.4
17,584	18,542	1.7	1.5	1.2	0.9	0.9
<u>\$ 2,048,830</u>	<u>\$ 2,082,062</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 271,941	\$ 268,940	7.7 %	7.3 %	9.9 %	13.3 %	12.9 %
599,341	860,393	23.5	35.5	37.5	29.3	41.3
20,353	19,375	0.1	0.3	0.6	1.0	0.9
441,971	348,075	16.6	31.7	18.6	21.6	16.7
123,614	105,436	3.2	4.5	3.7	6.0	5.1
145,887	1,749,678	24.4	22.0		7.1	84.0
		0.5				
<u>\$ 1,603,107</u>	<u>\$ 3,351,897</u>	<u>76.0 %</u>	<u>101.3 %</u>	<u>70.3 %</u>	<u>78.3 %</u>	<u>160.9 %</u>
<u>\$ 445,723</u>	<u>\$ (1,269,835)</u>	<u>24.0 %</u>	<u>(1.3) %</u>	<u>29.7 %</u>	<u>21.7 %</u>	<u>(60.9) %</u>
\$	\$ 26,520					
<u>130,000</u>	<u>354,902</u>					
<u>\$ 130,000</u>	<u>\$ 381,422</u>					
\$ 575,723	\$ (888,413)					
<u>3,419,402</u>	<u>4,307,815</u>					
<u>\$ 3,995,125</u>	<u>\$ 3,419,402</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	\$ 2,227,788	\$ 2,502,621	\$ 2,435,441
Penalty and Interest	18,055	24,026	23,767
Investment Revenues	97,305	110,997	84,035
Miscellaneous Revenues	10	59	20
TOTAL REVENUES	\$ 2,343,158	\$ 2,637,703	\$ 2,543,263
EXPENDITURES			
Tax Collection Expenditures	\$ 86,347	\$ 84,933	\$ 66,479
Debt Service Principal	1,780,000	2,065,000	1,750,000
Debt Service Interest and Fees	626,519	681,626	697,478
Bond Issuance Costs			
TOTAL EXPENDITURES	\$ 2,492,866	\$ 2,831,559	\$ 2,513,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (149,708)	\$ (193,856)	\$ 29,306
OTHER FINANCING SOURCES (USES)			
Refunding Bonds	\$	\$	\$
Payment to Refunded Bond Escrow Agent			
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCE	\$ (149,708)	\$ (193,856)	\$ 29,306
BEGINNING FUND BALANCE	2,505,874	2,699,730	2,670,424
ENDING FUND BALANCE	\$ 2,356,166	\$ 2,505,874	\$ 2,699,730
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,218	1,214	1,215
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,195	1,191	1,193

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2022	2021	2025	2024	2023	2022	2021
\$ 2,332,943	\$ 2,164,854	95.0 %	94.9 %	95.8 %	98.9 %	99.2 %
21,640	12,899	0.8	0.9	0.9	0.9	0.6
4,798	1,815	4.2	4.2	3.3	0.2	0.1
	1,506					0.1
<u>\$ 2,359,381</u>	<u>\$ 2,181,074</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 62,993	\$ 52,744	3.7 %	3.2 %	2.6 %	2.7 %	2.4 %
1,480,000	1,240,000	76.0	78.3	68.8	62.7	56.9
684,674	640,852	26.7	25.8	27.4	29.0	29.4
	230,209					10.6
<u>\$ 2,227,667</u>	<u>\$ 2,163,805</u>	<u>106.4 %</u>	<u>107.3 %</u>	<u>98.8 %</u>	<u>94.4 %</u>	<u>99.3 %</u>
\$ 131,714	\$ 17,269	<u>(6.4) %</u>	<u>(7.3) %</u>	<u>1.2 %</u>	<u>5.6 %</u>	<u>0.7 %</u>
\$	\$ 5,755,000					
	(5,799,647)					
	280,229					
<u>\$ -0-</u>	<u>\$ 235,582</u>					
\$ 131,714	\$ 252,851					
2,538,710	2,285,859					
<u>\$ 2,670,424</u>	<u>\$ 2,538,710</u>					
<u>1,215</u>	<u>1,216</u>					
<u>1,194</u>	<u>1,196</u>					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

District Mailing Address - Fort Bend County Municipal Utility District No. 48
c/o Polley Garza PLLC
1401 Enclave Parkway, Suite 625
Houston, Texas 77077

District Telephone Number - (346) 440-1147

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2025	Expense Reimbursements for the year ended June 30, 2025	Title
Megan Robertson	05/22 05/26 (Elected)	\$ 9,061	\$ 2,457	President
Kenneth Wiltz	05/24 05/28 (Elected)	\$ 3,094	\$ 112	Vice President
Sharwin Wiltz-Boney	05/22 05/26 (Elected)	\$ 4,199	\$ 1,813	Treasurer
Keisha Hernandez	05/24 05/28 (Elected)	\$ 8,840	\$ 2,626	Secretary
Mike Griffin	09/23 05/26 (Appointed)	\$ 5,083	\$ 1,428	Assistant Secretary

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

Submission Date of most recent District Registration Form: May 21, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District’s current fiscal year. During the prior fiscal year, Director Robertson was inadvertently overpaid fees in the amount of \$2,303. Also, during the current fiscal year, Directors Robertson and Hernandez were inadvertently overpaid fees in the amounts of \$1,861 and \$1,640, respectively. These current and prior overpaid fees will be reimbursed to the District during the fiscal year ending June 30, 2026.

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 48
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended June 30, 2025</u>	<u>Title</u>
Polley Garza PLLC	04/13/23	\$ 142,939	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	08/21/97	\$ 19,250	Auditor
Myrtle Cruz, Inc.	01/14/99	\$ 34,341	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/20/97	\$ 4,029	Delinquent Tax Attorney
Quiddity Engineering, LLC	09/19/85	\$ 119,406 \$ 19,500	Engineer Bond Related
Masterson Advisors LLC	05/10/18	\$ -0-	Financial Advisor
Municipal District Services, LLC	06/01/12	\$ 325,034	Operator
Bob Leared, RTA	09/01/84	\$ 32,507	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, 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 Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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 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 AG 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AG 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 AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)