OFFICIAL STATEMENT DATED AUGUST 12, 2026

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS HAVE BEEN DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

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.

$5,680,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
(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. 143 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Houston, 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: September 1, 2026 **Due: March 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 September 15, 2026) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2027, 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."

ASSURED GUARANTY 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 issuance and delivery of the Bonds by ASSURED GUARANTY INC. ("AG" or the "Insurer").

MATURITY SCHEDULE

Principal Amount	Maturity (March 1)	CUSIP Number (b)	Interest Rate	Initial Reoffering Yield (c)	Principal Amount	Maturity (March 1)	CUSIP Number (b)	Interest Rate	Initial Reoffering Yield (c)
$ 275,000	2028	34681V WM4	4.00 %	3.00 %	$ 270,000	2033 (a)	34681V WS1	4.00 %	3.50 %
275,000	2029	34681V WN2	4.00	3.10	270,000	2034 (a)	34681V WT9	4.00	3.60
270,000	2030	34681V WP7	4.00	3.20	270,000	2035 (a)	34681V WU6	4.00	3.70
270,000	2031	34681V WQ5	4.00	3.30	270,000	2036 (a)	34681V WV4	4.00	3.80
270,000	2032	34681V WR3	4.00	3.40					

$540,000 Term Bonds due March 1, 2038 (a), 34681V WX0 (b), 4.00% Interest Rate, 3.90% Yield (c)
$540,000 Term Bonds due March 1, 2040 (a), 34681V WZ5 (b), 4.00% Interest Rate, 4.00% Yield (c)
$540,000 Term Bonds due March 1, 2042 (a), 34681V XB7 (b), 4.00% Interest Rate, 4.10% Yield (c)
$540,000 Term Bonds due March 1, 2044 (a), 34681V XD3 (b), 4.00% Interest Rate, 4.20% Yield (c)
$540,000 Term Bonds due March 1, 2046 (a), 34681V XF8 (b), 4.00% Interest Rate, 4.35% Yield (c)
$540,000 Term Bonds due March 1, 2048 (a), 34681V XH4 (b), 4.00% Interest Rate, 4.45% Yield (c)

(a) Bonds maturing on or after March 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 March 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. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."
(b) 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.
(c) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Underwriter (as herein defined) for offers to the public and which subsequently may be changed.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter (as defined herein), subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, 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 September 15, 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 Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, for further information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this 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 Stifel, Nicolaus & Co., Inc. (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of 97.5503% of the par value thereof which resulted in a net effective interest rate of 4.214051%, 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... The District is a political subdivision of the State of Texas, created by order of the Texas Commission on Environmental Quality ("TCEQ"), on November 4, 2003, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District contains approximately 873 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 lies wholly within the extraterritorial jurisdiction of the City of Houston. A portion of the District lies within the boundaries of the Fort Bend Independent School District and the remaining portion lies within the boundaries of the Lamar Consolidated Independent School District. The District is generally located north of Morton Road (which has been partially renamed West Bellfort), west of Harlem Road and north of Texas State Highway 99 (the "Grand Parkway") with portions having McCrary Road to the west and Clayhead Road to the south. See "THE DISTRICT" and "AERIAL PHOTOGRAPH."

The Developers… A majority of the development within the District has been conducted by Ventana Development Mortin, Ltd., a Texas limited partnership, Ventana Development McCrary, Ltd., a Texas limited partnership (collectively, the "Ventana Partnerships") and Ventana Precinct Line LLC, a Texas limited liability company ("Ventana Precinct Line"). The general partners of the Ventana Partnerships are Mortin Road, LLC and McCrary Road, LLC, and the co-managers of the Ventana Partnerships are James Bruce Grover, James Bruce Grover, Jr., and Paul Savage Grover. The co-managers of Ventana Precinct Line are James Bruce Grover, Jr. and Paul Savage Grover. The Ventana Partnerships and Ventana Precinct Line have completed the development of Waterview Estates, McCrary Meadows, Sections One, Two, Two Partial Re-Plat No. 1 and Extension and Three through Ten. Ventana Precinct Line has developed Jones Creek Reserve at McCrary Meadows, Sections One and Two.

Approximately 128 acres of multifamily/retail use property within the District served by trunkline water distribution, wastewater collection, and storm drainage facilities were developed by 99 Grand Mission, LLC and its affiliates, and Waterview Towne Center LLC ("Grand Mission").

The Ventana Partnerships, Ventana Precinct Line and Grand Mission are collectively referred to herein as the "Developers." See "THE DEVELOPERS."

Status of Development... To date, residential development in the District has been developed as Waterview Estates, McCrary Meadows and Jones Creek Reserve at McCrary Meadows. Currently the development in the District collectively includes 2,512 single-family residential lots constructed on approximately 548 acres. As of June 11, 2026, 2,460 homes were completed (2,453 occupied), 42 homes were under construction or continue to be in a builder's name and 10 vacant developed lots were available for home construction. The District does not include any remaining single-family residential developable acres. According to the Fort Bend Central Appraisal District, the average house value in the District in 2025 was approximately $328,356 and newer homes in McCrary Meadows range in sales price from approximately $300,000 to approximately $450,000.

In addition to residential development, approximately 128 acres within the District developed by Grand Mission are served by trunkline water distribution, wastewater collection, and storm drainage facilities for commercial/multi-family use. Echelon on 99, a 256-unit apartment community, has been constructed on approximately 11 of such acres within the District and according to property management, the apartment community is approximately 92% occupied. Waterview Apartments, a 295-unit apartment community has been constructed on approximately 11 of such acres within the District and according to property management, the apartment community is approximately 92% occupied. Verbana at Waterview, a 368-unit apartment community is currently under construction on approximately 14 acres within the District with expected completion by February 2027. According to property management, the apartment community is approximately 1% occupied. See "TAX DATA—Principal Taxpayers" and "INVESTMENT CONSIDERATIONS—Certain Tax Exemptions Provided for Affordable Housing." Various retail businesses have been constructed on approximately 85 of such acres, including an Academy Sports and Outdoors, LA Fitness, At Home retail facilities, a Spec's liquor store, Chipotle Mexican Grill, Chick-fil-a, Studio Movie Grill, and Whataburger. The remaining approximately 7 of such acres are vacant.

The development in the District also includes several recreational facilities that includes pools, a baseball field, a splash pad and tennis courts on approximately 44 acres in the District. Approximately 152 acres within the District are not developable (street rights-of-way, detention, drainage and pipeline easements and utility sites). See "THE DISTRICT."

Builders… Homebuilders in the District include Smith Douglas Homes and Lennar Homes of Texas. See "THE DISTRICT—Builders."

Payment Record... The District has previously issued $80,930,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities ("Water, Sewer, and Drainage Facilities"), $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities and $16,090,000 principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District. The District currently has $59,060,000 principal amount of bonds outstanding (the "Outstanding Bonds"). The District has never defaulted on its debt service obligations. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

THE BONDS

Description... The $5,680,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") are being issued as fully registered bonds pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the District's Board of Directors (the "Board"). The Bonds are scheduled to mature serially on March 1 in each of the years 2028 through 2036, both inclusive, and as term bonds maturing on March 1 in each of the years 2038, 2040, 2042, 2044, 2046, and 2048 (the "Term Bonds") and in the principal amounts and accrue interest at the rates shown on the cover page hereof. Interest on the Bonds accrues from the Date of Delivery, and is payable March 1, 2027, and each September 1 and March 1 thereafter, until the earlier of maturity or redemption. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. 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 March 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 March 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. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Use of Proceeds... Proceeds from sale of the Bonds will be used to reimburse the Developers for the remaining portion of the costs associated with such projects, and to finance certain other costs of providing services to the District. In addition, Bond proceeds will be used to pay interest on funds advances by the Developers, and to pay certain other costs and engineering fees related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Authority for Issuance... The Bonds are the sixteenth series of bonds issued out of an aggregate of $109,915,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing water, sewer, and drainage facilities. The Bonds are issued by the District pursuant to an election held within the District, 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. See "THE BONDS—Authority for Issuance."

Source of Payment... Principal of and interest on the Bonds and the Outstanding 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 Houston, Fort Bend County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."

Municipal Bond Rating and Municipal Bond Insurance... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") is expected to assign a municipal bond insured rating of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") is expected to assign a municipal bond insured rating of "A1" (stable outlook), respectively, to this issue of 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."

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

Bond Counsel... Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."

Financial Advisor... Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."

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

Paying Agent/Registrar... 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)

2026 Taxable Assessed Valuation	$986,265,239	(a)
Gross Direct Debt Outstanding	$ 64,740,000	(b)
Estimated Overlapping Debt	145,902,013	(c)
Gross Direct Debt and Estimated Overlapping Debt	$210,622,013	
Ratio of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	6.56%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	21.36%	
Debt Service Funds Available as of July 10, 2026	$ 6,297,456	(d)
Operating Funds Available as of July 10, 2026	$13,655,974	
Capital Projects Funds Available as of July 10, 2026	$ 1,990,742	(e)
2025 Debt Service Tax Rate	$0.54	
2025 Maintenance Tax Rate	0.52	
2025 Total Tax Rate	$1.06	
Average Annual Debt Service Requirement (2027-2048)	$3,656,971	(f)
Maximum Annual Debt Service Requirement (2028)	$5,749,031	(f)
Tax Rates Required to Pay Average Annual Debt Service (2027-2048) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$0.40	(g)
Tax Rates Required to Pay Maximum Annual Debt Service (2028) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$0.62	(g)
Status of Development as of June 11, 2026 (h):		
Total Developed Lots	2,512	
Homes Completed (2,453 Occupied Homes)	2,460	
Homes Under Construction or in a Builder's Name	42	
Lots Available for Home Construction	10	
Multi-Family Units	551	
Commercial	(h)	
Estimated Population	9,575	(i)

(a) The 2026 Taxable Assessed Valuation shown herein includes $973,973,859 of certified value and $12,291,380 of uncertified value. The uncertified value represents the landowners' 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) Includes the Bonds and the Outstanding Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(c) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."

(d) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on parity, a pro rata portion of the District's ad valorem tax revenue will be allocated to the Bonds and the Outstanding Water, Sewer and Drainage Bonds and a pro rata portion will be allocated to the Outstanding Road Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds." Funds in the Water, Sewer and Drainage Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Bonds, and are not available to pay debt service on bonds issued for road facilities. Neither Texas law nor the Bond Resolution requires the District to maintain any minimum balance in the Debt Service Funds. See "THE BONDS—Funds" and "USE AND DISTRIBUTION FOF BOND PROCEEDS."

(e) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding Bonds. The District will contribute $568,702 of surplus capital projects funds toward the issuance of the Bonds. The Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from the Outstanding Bonds.

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

(g) See "TAX DATA—Tax Adequacy for Debt Service" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

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

(i) Based upon 3.5 persons per occupied single-family residence and 2.0 persons per multi-family unit, assumed at 92% occupancy.

OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

(A political subdivision of the State of Texas located within Fort Bend County)

$5,680,000

UNLIMITED TAX BONDS
SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 143 (the "District") of its $5,680,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued 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; a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board"); an order of the Texas Commission on Environmental Quality (the "TCEQ"); and an election 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, Ventana Development Mortin, Ltd., Ventana Development McCrary, Ltd. (collectively, the "Ventana Partnerships") and Ventana Precinct Line LLC, a Texas limited liability company ("Ventana Precinct Line"), and Waterview Towne Center LLC ("Grand Mission"), 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 Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated September 1, 2026 and will accrue interest from the Date of Delivery, with interest payable each March 1 and September 1, beginning March 1, 2027 (each an "Interest Payment Date"), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

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 February 15 or August 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.

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remains 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 of Houston, or any entity other than the District.

Funds

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

The Water/Sewer/Drainage Debt Service Fund is available for payment of principal and interest on bonds issued for water, sewer and drainage facilities, including the Bonds. It is not available to pay principal or interest on bonds issued for road facilities.

The proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund, to be used for the purpose of paying for certain construction costs, paying developer interest, and paying the costs of issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

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.

Redemption Provisions

Mandatory Redemption: The Bonds maturing on March 1 in each of the years 2038, 2040, 2042, 2044, 2046, and 2048 (the "Term Bonds") shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on March 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below):

$540,000 Bonds Due March 1, 2038

Mandatory Redemption Date	Principal Amount
2037	$ 270,000
2038 (maturity)	270,000

$540,000 Bonds Due March 1, 2040

Mandatory Redemption Date	Principal Amount
2039	$ 270,000
2040 (maturity)	270,000

$540,000 Bonds Due March 1, 2042

Mandatory Redemption Date	Principal Amount
2041	$ 270,000
2042 (maturity)	270,000

$540,000 Bonds Due March 1, 2044

Mandatory Redemption Date	Principal Amount
2043	$ 270,000
2044 (maturity)	270,000

$540,000 Bonds Due March 1, 2046

Mandatory Redemption Date	Principal Amount
2045	$ 270,000
2046 (maturity)	270,000

$540,000 Bonds Due March 1, 2048

Mandatory Redemption Date	Principal Amount
2047	$ 270,000
2048 (maturity)	270,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolution. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on or after March 1, 2033, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000 on March 1, 2032, or any date thereafter, at a price of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption.

If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

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 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 which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Authority for Issuance

At bond elections held within the District on May 15, 2004 (the "2004 Election") and May 5, 2018 (the "2018 Election"), voters of the District authorized the issuance of $109,915,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities. The Bonds are issued pursuant to the 2018 Election. See "Issuance of Additional Debt" below. The TCEQ has approved the issuance 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 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, the 2018 Election held within the District 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.

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.

In the event the Book-Entry-Only System should be discontinued, each Bond shall be transferable only upon the presentation and surrender of such Bond 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 a Record Date and ending 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.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be 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, apparently destroyed, or wrongfully taken, 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

The District's voters have authorized the issuance of $109,915,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities, $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities and $31,000,000 principal amount of unlimited tax bonds for refunding outstanding bonds of the District and could authorize additional amounts. After the issuance of the Bonds, the District will have $23,305,000 principal amount of unlimited tax bonds for purchasing and constructing water, sewer, and drainage facilities, no unlimited tax bonds for purchasing and constructing parks and recreational facilities, and $30,105,000 principal amount of unlimited tax bonds for refunding outstanding bonds of the District. See "INVESTMENT CONSIDERATIONS—Future Debt."

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. The District has prepared a detailed fire plan which was approved by the TCEQ and the voters, in 2007. The fire plan does not call for the issuance of bonds but for a mandatory fee and a one-time capital contribution to the City of Richmond, Texas. Fire protection is currently provided to McCrary Meadows by the City of Richmond, Texas Fire Station No. 3 located one-half mile south of the District. The Agreement with the City of Richmond requires residents of the District to pay a mandatory fire fee and shall automatically renew each year for successive one-year terms. This Agreement terminates upon the date the District is dissolved by reason of annexation of the property in the District by the City of Houston, by giving the other party written notice of termination at least one year prior to the termination date, or declaration of default by either party. The District has paid the one-time capital contribution.

Fort Bend County Emergency Services District No. 5 (Fort Bend ESD No. 5") held an election on May 3, 2025 to annex Waterview Estates and Waterview Town Center. Northeast Fort Bend County Fire Department, the department contracted by Fort Bend ESD No. 5 was notified by Greater Harris County 9-1-1 ("GHC911") on December 2, 2025 of the emergency response changes that would go into effect on December 9, 2025. The District has asked for termination of the City of Richmond agreement for the Waterview portion and to continue service for the McCrary Meadows portion. Fort Bend ESD No. 5 has levied a tax of $0.10 per $100 of taxable assessed valuation over the District portion in its boundary as of tax year 2025.

The District is authorized by statute to construct park and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The principal amount of bonds sold by the District to construct park and recreational facilities is limited to one percent of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may not exceed an amount equal to three percent (3%) of the value of the taxable property in the District. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) authorization of park bonds by the qualified voters in the District; (b) approval of the park bonds by the Texas Commission on Environmental Quality (the "TCEQ"); and (c) approval of the bonds by the Attorney General of Texas.

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. The District has been granted "road powers" by the TCEQ and plans to submit a proposition for road bonds to the voters in the future. Before the District could issue such bonds, the District would be required to receive authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas.

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

Annexation by the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. See "Strategic Partnership" below for a description of the terms of the Strategic Partnership Agreement.

If the District is annexed, the City of Houston will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the City of Houston will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur.

Strategic Partnership

The District entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City") pursuant to Chapter 43 of the Texas Local Government Code on December 19, 2011. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances and impose a sales tax within the District. Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City of Houston for limited purposes and the City of Houston has imposed a one percent (1%) sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. Residential development within the District is not subject to the limited purpose annexation. The SPA provides the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist if the land within the District were to be annexed for full or limited purposes by the City. The SPA also provides that the City will not annex the District for "full purposes" (a traditional municipal annexation) for at least thirty (30) years from the effective date of the SPA, which is 2041. In fiscal year ended June 30, 2025, the District received $435,999 of SPA proceeds. See "THE SYSTEM—Water and Wastewater Operations."

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 districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

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 the Depository Trust Company ("DTC"), New York, NY 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 DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be 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+" by 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**		
	• Jones Creek Reserve at McCrary Meadows Section Two W, WW & D	$	1,446,095
	• Lift Station Nos. One and Two Improvements		1,590,000
	• Land Aquisition		1,816,797
	• Engineering and Testing		581,707
	• Contingencies		160,000
	Total Construction Costs	**$**	**5,594,599**
	Less Use of Surplus Funds (a)		(568,702)
	Net Total Construction Costs	**$**	**5,025,897**
II.	**NON-CONSTRUCTION COSTS**		
	• Bond Discount (b)	$	139,142
	• Developer Interest		97,316
	Total Non-Construction Costs	**$**	**236,458**
III.	**ISSUANCE COSTS AND FEES**		
	• Issuance Costs and Professional Fees	$	315,907
	• Bond Application Report Costs		50,600
	• State Regulatory Fees		19,880
	• Contingency (b)		31,258
	Total Issuance Costs and Fees	**$**	**417,645**
	TOTAL BOND ISSUE	**$**	**5,680,000**

(a) The District will contribute $568,702 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%. Contingency represents the difference in the estimated and actual amount of Bond Discount.

In the event actual costs exceed previously approved estimated construction cost amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to pay the Developers for the costs of the above-described facilities. However, 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 TCEQ dated November 4, 2003, after a hearing on a petition for creation submitted by the Ventana Partnerships. 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; to collect, transport, and treat wastewater; to control and divert storm water and to provide parks and recreational facilities within its boundaries. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish, operate, maintain and finance fire-fighting facilities, independently or with one or more conservation and reclamation districts. See "THE BONDS—Issuance of Additional Debt."

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent for creation from the City of Houston, within whose extraterritorial jurisdiction the District lies, the District is required to observe certain requirements of the City of Houston which: limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, drainage, road and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston 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. 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 873 acres of land. The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston. A portion of the District lies within the boundaries of the Fort Bend Independent School District and the remaining portion lies within the boundaries of the Lamar Consolidated Independent School District. The District is generally located north of Morton Road (which has been partially renamed West Bellfort), west of Harlem Road and northwest of Texas State Highway 99 (the "Grand Parkway") with portions having McCrary Road to the west and Clayhead Road to the south. See "AERIAL LOCATION MAP."

Land Use

The District currently includes approximately 548 developed acres of single-family residential development (2,512 lots), approximately 36 acres of multi-family development, approximately 93 commercial acres, approximately 44 acres developed for recreation purposes, and approximately 152 undevelopable acres (drainage and pipeline easements, street rights-of-way, detention, open spaces and utility sites). The table below represents a detailed breakdown of the current acreage and development in the District.

Single-Family Residential:	Approximate Acres	Lots/Units
Waterview Estates:		
Section One	59	236
Section Two	21	126
Section Three	15	70
Section Four	7	28
Section Five	17	80
Section Six	17	61
Section Seven	10	60
Section Eight	31	150
Section Nine	10	52
Section Ten	22	98
Section Eleven	10	47
Section Twelve	10	55
Section Thirteen	9	52
Section Fourteen	12	56
McCrary Meadows:		
Section One	40	168
Section Two	35	138
Section Two Partial Re-Plat and Extension No. 1	37	166
Section Three	14	67
Section Four	29	123
Section Five	19	95
Section Six	25	132
Section Seven	20	97
Section Eight	23	116
Section Nine	15	53
Section Ten	3	18
Jones Creek Reserve at McCrary Meadows:		
Section One	17	88
Section Two	21	80
Subtotal	548	2,512
Multifamily (a)	36	551
Commercial	93	---
Recreation and Open Space	44	---
Remaining Single-Family Residential Developable	0	---
Non-Developable (b)	152	---
Totals	873	3,063

(a) Verbana at Waterview, a 368-unit apartment community currently under construction on approximately 14 acres within the District with expected completion by February 2027.
(b) Includes public rights-of-way, detention, drainage and pipeline easements and utility sites.

Status of Development

Single Family Residential: The District has been developed as Waterview Estates, McCrary Meadows and Jones Creek Reserve at McCrary Meadows. As of June 11, 2026, the development in the District collectively includes 2,512 single-family residential lots constructed on approximately 548 acres. As of June 11, 2026, 2,460 homes were completed (2,453 occupied), 42 homes were under construction or continue to be owned by a builder and 10 vacant developed lots were available for home construction. The District does not include any remaining single-family residential developable acres. According to the Fort Bend Central Appraisal District, the average house value in the District in 2025 was approximately $328,356 and newer homes in McCrary Meadows range in sales price from approximately $300,000 to approximately $450,000. The current estimated population in the District is 9,575 based upon 3.5 persons per occupied single-family residence and 2.0 persons per occupied multi-family unit (assumed occupancy of 92%). See "Retail/Multi-Family" below.

Retail/Multi-Family: Approximately 128 acres within the District developed by Grand Mission are served by trunkline water distribution, wastewater collection, and storm drainage facilities for retail/multi-family use. Echelon on 99, a 256-unit apartment community has been constructed on approximately 11 of such acres within the District and according to property management, the apartment community is approximately 92% occupied. Waterview Apartments, a 295-unit apartment community has been constructed on approximately 11 of such acres within the District and according to property management, the apartment community is approximately 92% occupied. Verbana at Waterview, a 368-unit apartment community currently under construction on approximately 14 acres within the District with expected completion by February 2027. According to property management, the apartment community is approximately 1% occupied. See "TAX DATA—Principal Taxpayers" and "INVESTMENT CONSIDERATIONS—Certain Tax Exemptions Provided for Affordable Housin." Various retail businesses have been constructed on approximately 85 of such acres, including an Academy Sports and Outdoors, LA Fitness, At Home retail facilities a Spec's liquor store, Chipotle Mexican Grill, Chick-fil-a, Studio Movie Grill, and Whataburger. The remaining approximately 7 of such acres are vacant.

Builders

Homebuilders in the District include Smith Douglas Homes and Lennar Homes of Texas.

THE PARK SYSTEM

Park and recreational improvements include approximately 44 acres within the District that have been developed as a resort-style pool, splash pad, tennis courts and open spaces to serve the development within the District.

THE DEVELOPERS

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. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective 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. See "INVESTMENT CONSIDERATIONS."

The Developers are not responsible for, liable for, and have not made any commitment for payment of the Bonds or other obligations of the District. 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.

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.

Ventana Development Mortin, Ltd., Ventana Development McCrary, Ltd. and Ventana Precinct Line, LLC

A majority of the development within the District has been conducted by Ventana Development Mortin, Ltd., a Texas limited partnership, Ventana Development McCrary, Ltd., a Texas limited partnership (collectively, the "Ventana Partnerships") and Ventana Precinct Line, LLC, a Texas limited liability company ("Ventana Precinct Line"). The general partners of the Ventana Partnerships are Mortin Road, LLC and McCrary Road, LLC and the co-managers of the Ventana Partnerships are James Bruce Grover, James Bruce Grover, Jr., and Paul Savage Grover. The co-managers of Ventana Precinct Line are James Bruce Grover, Jr. and Paul Savage Grover. The Ventana Partnerships and Ventana Precinct Line have completed the development of Waterview Estates, McCrary Meadows, Sections One, Two, Two Partial Re-Plat Extension No. One and Three through Ten. Ventana Precinct Line has developed Jones Creek Reserve at McCrary Meadows, Sections One and Two. The Ventana Partnerships do not own any additional land within the District.

99 Grand Mission, LLC

Approximately 128 acres of multifamily/retail use property within the District served by trunkline water distribution, wastewater collection, and storm drainage facilities were developed by 99 Grand Mission, LLC and its affiliates, and Waterview Towne Center LLC ("Grand Mission"), including Echelon on 99.

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 four-year terms and elections are held in May in even numbered years only. All of the Board members reside within the District. Directors have staggered four-year terms. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Aaron M. McCubbin	President	May 2028
Michael Coulter	Vice President	May 2028
Tyrone Howard	Secretary	May 2030
Kenny Diaz	Assistant Vice President/Assistant Secretary	May 2030
Austin Woo	Assistant Vice President/Assistant Secretary	May 2028

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/Attorney: The District has engaged Allen Boone Humphries Robinson LLP 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 time charges actually incurred.

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: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. The District's audited financial statements for the fiscal year ending June 30, 2025 have been prepared by McCall Gibson Swedlund Barfoot Ellis, PLLC. See "APPENDIX A" for a copy of the District's June 30, 2025 audited financial statements. The District has engaged McCall Gibson Swedlund Barfoot Ellis, PLLC, to audit its financial statements for the year ended June 30, 2026.

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 appointed an independent tax assessor/collector to perform the tax collection function. Tax Tech, Inc. (the "Tax Assessor/Collector") has been employed by the District to serve in this capacity.

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

Utility System Operator: The operator of the District's internal water and wastewater system is Inframark Water & Infrastructure Services.

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, Fort Bend County Levee Improvement District No. 12 ("LID 12"), the City of Houston, and the Texas Department of Health also exercise regulatory jurisdiction over all or a portion of the District's system.

Water Supply

The District is a participant in the regional water supply system serving four districts and operated by Grand Mission Municipal Utility District No. 1 ("Grand Mission MUD 1") pursuant to an agreement. The regional water supply system is owned by Grand Mission MUD 1, the District, Grand Mission Municipal Utility District No. 2 ("Grand Mission MUD 2") and Fort Bend County Municipal Utility District No. 165 ("MUD 165"). The system is referred to as the Grand Mission Regional Water Supply System. The Grand Mission Regional Water Supply System (Water Plant Nos. 1, 2 and 3) currently consists of two (2) 1,500 gallons per minute ("gpm") water wells, 3,025,000 gallons of ground storage tank capacity, 13,500 gpm of booster pump capacity, 140,000 gallons of pressure tank capacity and related appurtenances. The District owns adequate capacity in the Grand Mission Regional Water Supply System to serve 2,054 equivalent single-family connections. In addition, Grand Mission Municipal Utility District No. 1 has emergency water interconnects with Fort Bend Municipal Utility District Nos. 122 and 123 and the District has an emergency water interconnect with Fort Bend Municipal Utility District No. 118. Grand Mission MUD 1 has an agreement in place with the North Fort Bend Water Authority (the "Authority") for surface water supply to the system. Per the agreement, the Authority is to supply the system with at least 900,000 gallons per day of surface water. Currently, a majority of the water used by the system is surface water and the ground water wells are used to mitigate the peak usage demands. As of June 11, 2026, the District was serving 1,169 active connections (excluding the connections in McCrary Meadows which are served as described below) through the Grand Mission Regional Water Supply System.

Approximately 277 acres in the District developed as McCrary Meadows is served by Water Plant No. 1 that is not part of the Grand Mission Regional Water Supply System. Water Plant No. 1 currently consists of a 450 gpm water well, a 600 gpm water remote well, a 97,000 gallon ground storage tank, 200,000 gallon ground storage tank, two 15,000 gallon pressure tanks, and 2,700 gpm of booster pump capacity which provides capacity to serve 1,428 equivalent single-family residential connections. The District also contains an emergency waterline interconnect with Fort Bend Co. WC&ID No. 8. As of June 11, 2026, the District was serving 1,326 active connections (including 42 builder connections) in McCrary Meadows.

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. Grand Mission Regional Water Supply System's and the District'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. In 2005, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District is included within the Authority's GRP and is now receiving surface water from the North Fort Bend Water Authority through the Grand Mission Regional Water Supply System.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees, user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the Grand Mission Regional Water Supply System and the District, to convert from groundwater to surface water. The Authority currently charges its participants a rate per 1,000 gallons of surface water purchased and a fee per 1,000 gallons of groundwater pumped. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2025 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2014; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee penalty ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from participants, including the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely seek monetary or other penalties against the participants in the System.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to continue passing such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Wastewater Treatment

Wastewater treatment capacity for most of the District is provided by a 2,110,000 gallon per day ("gpd") wastewater treatment plant jointly owned by the District, Grand Mission MUD 1, Grand Mission MUD 2 and MUD 165 and operated by Grand Mission MUD 1 as part of the Grand Mission regional system. The District owns an aggregate of 529,233 gpd of wastewater treatment capacity in the plant. As of June 11, 2026, the District was serving 1,169 active connections (excluding the connections in McCrary Meadows which are served as described below) in Waterview Estates and in the retail/multi-family area.

Approximately 277 acres in the District developed as McCrary Meadows have a separate wastewater treatment system and are not part of the Grand Mission system. Wastewater treatment for McCrary Meadows is provided by a 500,000 gpd wastewater treatment plant which has the capacity to serve 2,083 equivalent single-family connections. The District will be capable of serving 2,083 ESFCs with the expansion. As of June 11, 2026, the District was serving 1,326 active connections (including 42 builder connections) in McCrary Meadows. According to the Engineer, there is adequate capacity in the wastewater treatment system for the District to continue providing service to existing connections and connections under construction based on actual usage, as opposed to design criteria.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 2,512 single-family residential lots, two multi-family apartment communities (551 units), and approximately 93 acres of retail/multi-family tracts. Verbana at Waterview, a 368-unit apartment community currently under construction on approximately 14 acres within the District with expected completion by February 2027.

Most of the District is within the Long Point Slough watershed and naturally drains toward Long Point Slough. The storm water drainage within the District is collected in a road drainage system consisting of concrete curb and gutter which conveys storm runoff to the District's underground storm sewer system, which ultimately outfalls into a regional detention basin located south of Beechnut Street and east of the District. The regional detention basin provides detention capacity for the District, Grand Mission MUD 1, Grand Mission MUD 2 and MUD 165. Discharge from this regional detention basin ultimately outfalls into Long Point Slough.

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" (or 1% chance of probable inundation) 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, homes must be 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 homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards. The District contains no developable land that is currently within the designated 100-year flood plain according to the Federal Emergency Management ("FEMA") Flood Insurance Rate Map Panel Number: 48157C0120L, dated April 2, 2014. See "INVESTMENT CONSIDERATIONS—Extreme Weather."

Atlas 14

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 within the District. 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.

Fort Bend County Levee Improvement District No. 12

Approximately 226 of the 873 acres located within the District are also located within the boundaries of Fort Bend County Levee Improvement District No. 12 ("LID 12"), which provides major outfall drainage and flood protection for approximately 4,045 acres of land, and thus the land located within the District that is also located within LID 12 is subject to taxation by LID 12. LID 12 has issued bonds to finance certain drainage improvements which benefit the portion of the District that is also located within LID 12 and may issue additional bonds in the future. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

Water and Wastewater Operations

The Bonds and the Outstanding Bonds are payable solely from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Nevertheless, net revenues from operations of the District's water and wastewater system, if any, are available for any legal purpose, including the payment of debt service on the Bonds and the Outstanding Bonds, upon Board action. However, it is not anticipated that net revenues will be used or would be sufficient to pay debt service on the Bonds or the Outstanding Bonds.

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 June 30, 2025, and an unaudited summary provided by the Bookkeeper for the fiscal year ended June 30, 2026. 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.

	Fiscal Year Ended June 30				
	2026 (Unaudited)	2025	2024	2023	2022
Revenues:					
Property Taxes	$ 5,185,781	$ 4,949,219	$ 4,477,695	$ 3,452,860	$ 2,005,248
Water and Sewer Service	1,993,581	1,860,857	1,819,715	1,746,848	1,631,376
Penalty and Interest	135,166	100,042	92,599	87,031	65,760
Tap Connection and Sewer Inspection	825,940	451,663	266,463	301,238	466,256
Regional Water Authority Fee	1,566,270	1,515,779	1,639,377	1,460,667	1,067,498
Fire Protection Service	570,419	553,795	527,298	498,231	441,085
SPA Revenue (a)	431,196	435,999	400,332	349,899	329,411
Investment and Miscellaneous Revenues	495,845	458,482	409,018	274,980	79,657
Total Revenue	$ 11,204,198	$ 10,325,836	$ 9,632,497	$ 8,171,754	$ 6,086,291
Expenditures:					
Professional Fees	$ 376,047	$ 453,298	$ 388,665	$ 332,368	$ 328,662
Purchased or Contracted Services	2,415,124	2,188,931	2,501,554	1,955,374	1,679,235
Repairs and Maintenance	1,037,118	1,238,628	676,829	684,521	374,354
Regional Detention Facility	48,658	32,799	29,359	87,800	34,980
Fire Protection Service	547,038	516,885	496,011	467,634	411,422
Capital Outlay	1,052,247	1,436,313	2,038,710	1,574,198	114,607
Other	2,254,684 (b)	2,293,257 (b)	2,267,464 (b)	1,976,481 (b)	1,841,175 (b)
Total Expenditures	$ 7,730,916	$ 8,160,111	$ 8,398,592	$ 7,078,376	$ 4,784,435
NET REVENUES	$ 3,473,282	$ 2,165,725	$ 1,233,905	$ 1,093,378	$ 1,301,856
Other Financing Sources	$ 27,000	$ 317,908	$ (276,671)	$ 423,124	$ 381,418
General Operating Fund Balance (Beginning of Year)	$ 11,402,402	$ 8,918,769	$ 7,961,535	$ 6,445,033	$ 4,761,759
General Operating Fund Balance (End of Year)	$ 14,902,684	$ 11,402,402	$ 8,918,769	$ 7,961,535	$ 6,445,033

(a) See "THE BONDS–Strategic Partnership."

(b) Includes $4,855,875 of developer reimbursement for land purchase with the remainder consisting of expenses related to detention facility rehabilitation and wastewater treatment plant expenses.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2026 Taxable Assessed Valuation	$986,265,239	(a)
Gross Direct Debt Outstanding	$ 64,740,000	(b)
Estimated Overlapping Debt	145,902,013	(c)
Gross Direct Debt and Estimated Overlapping Debt	$210,622,013	
Ratio of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	6.56%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	21.36%	
Debt Service Funds Available as of July 10, 2026	$ 6,297,456	(d)
Operating Funds Available as of July 10, 2026	$13,655,974	
Capital Projects Funds Available as of July 10, 2026	$ 1,990,742	(e)

(a) The 2026 Taxable Assessed Valuation shown herein includes $973,973,859 of certified value and $12,291,380 of uncertified value. The uncertified value represents the landowners' 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) Includes the Bonds and the Outstanding Bonds. See "Outstanding Bonds" herein.

(c) See "Estimated Overlapping Debt" herein.

(d) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on parity, a pro rata portion of the District's ad valorem tax revenue will be allocated to the Bonds and the Outstanding Water, Sewer and Drainage Bonds and a pro rata portion will be allocated to the Outstanding Road Bonds. See "—Outstanding Bonds" herein. Funds in the Water, Sewer and Drainage Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Bonds, and are not available to pay debt service on bonds issued for road facilities. Neither Texas law nor the Bond Resolution requires the District to maintain any minimum balance in the Debt Service Funds. See "THE BONDS—Funds" and "USE AND DISTRIBUTION FOF BOND PROCEEDS."

(e) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding Bonds. The District will contribute $568,702 of surplus capital projects funds toward the issuance of the Bonds. The Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from the Outstanding Bonds.

Investments of the District

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

Outstanding Debt

The District has previously issued $80,930,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities, $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities and $16,090,000 of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District, of which $59,060,000 principal amount is outstanding (the "Outstanding Bonds") as of the date hereof. The following table lists the original principal amount of all series of bonds issued by the District and the principal amount of the Outstanding Bonds.

Series		Original Principal Amount	Outstanding Bonds
2005		$ 2,615,000	$ -
2006		5,360,000	-
2008		4,630,000	-
2010		2,180,000	-
2011		2,000,000	-
2013	(a)	2,390,000	-
2013A		645,000	-
2013B	(b)	455,000	215,000
2013C		905,000	-
2014	(a)	4,305,000	1,975,000
2015		2,690,000	1,540,000
2016	(a)	3,515,000	2,010,000
2017		13,500,000	9,300,000
2017A	(a)	3,430,000	2,300,000
2018		7,980,000	6,055,000
2019	(b)	1,545,000	1,195,000
2020		8,315,000	6,615,000
2020A	(a)	2,450,000	1,290,000
2020B		11,960,000	9,960,000
2021		5,930,000	5,055,000
2023		3,675,000	3,355,000
2025		8,545,000	8,195,000
Total		$ 99,020,000	$ 59,060,000

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(a) Unlimited tax refunding bonds.
(b) Unlimited tax park bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see "Outstanding Debt" in this section) and the Bonds.

Year	Outstanding Bonds Debt Service	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service
2026	$ 3,861,865.63 (a)	$ -	$ -	$ -	$ 3,861,865.63
2027	5,303,281.25	-	218,364.44	218,364.44	5,521,645.69
2028	5,252,331.25	275,000	221,700.00	496,700.00	5,749,031.25
2029	5,178,281.25	275,000	210,700.00	485,700.00	5,663,981.25
2030	5,117,531.25	270,000	199,800.00	469,800.00	5,587,331.25
2031	4,869,568.75	270,000	189,000.00	459,000.00	5,328,568.75
2032	4,414,856.25	270,000	178,200.00	448,200.00	4,863,056.25
2033	4,083,612.50	270,000	167,400.00	437,400.00	4,521,012.50
2034	4,021,100.00	270,000	156,600.00	426,600.00	4,447,700.00
2035	3,975,306.25	270,000	145,800.00	415,800.00	4,391,106.25
2036	3,882,656.25	270,000	135,000.00	405,000.00	4,287,656.25
2037	3,523,518.75	270,000	124,200.00	394,200.00	3,917,718.75
2038	3,431,781.25	270,000	113,400.00	383,400.00	3,815,181.25
2039	3,349,237.50	270,000	102,600.00	372,600.00	3,721,837.50
2040	3,277,718.75	270,000	91,800.00	361,800.00	3,639,518.75
2041	3,180,456.25	270,000	81,000.00	351,000.00	3,531,456.25
2042	3,087,450.00	270,000	70,200.00	340,200.00	3,427,650.00
2043	1,919,159.38	270,000	59,400.00	329,400.00	2,248,559.38
2044	1,490,465.63	270,000	48,600.00	318,600.00	1,809,065.63
2045	1,446,800.00	270,000	37,800.00	307,800.00	1,754,600.00
2046	902,850.00	270,000	27,000.00	297,000.00	1,199,850.00
2047	465,237.50	270,000	16,200.00	286,200.00	751,437.50
2048	-	270,000	5,400.00	275,400.00	275,400.00
Total	$ 76,035,065.63	$ 5,680,000	$ 2,600,164.44	$ 8,280,164.44	$ 84,315,230.07

(a) Excludes the March 1, 2026 debt service payment of $1,503,016.

Average Annual Debt Service Requirements (2027-2048) $3,656,971
Maximum Annual Debt Service Requirement (2028) $5,749,031

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	Percent	Overlapping Amount
Fort Bend County	$1,152,335,706	6/30/2026	0.77%	$ 8,872,985
Fort Bend County Drainage District	20,585,000	6/30/2026	0.78%	160,563
Lamar Consolidated Independent School District	3,555,130,000	6/30/2026	3.25%	115,541,725
Fort Bend Independent School District	2,150,100,000	6/30/2026	1.77%	38,056,770
Fort Bend County LID No. 12 (a)	3,050,000	6/30/2026	27.35%	834,175
Total Estimated Overlapping Debt				$145,902,013
The District's Total Direct Debt (b)				64,740,000
Total Direct and Estimated Overlapping Debt				$210,622,013

Direct and Estimated Overlapping Debt as a Percentage of:
2026 Taxable Assessed Valuation of $1,015,675,321 .... 21.36%

(a) See "INVESTMENT CONSIDERATIONS—Overlapping Debt and Taxes."
(b) 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 the taxes levied for the 2025 tax year by all entities overlapping the District and the 2025 tax rate for the District. None of the entities listed below have adopted a 2026 tax rate. No recognition is given to local assessments for civic association dues, fire department contributions or any other levy of entities other than political subdivisions.

	Tax Rate Per $100 of Taxable Assessed Valuation
Fort Bend County (including Drainage District)	$0.422000
Lamar Consolidated Independent School District (a)	1.146900
Fort Bend County LID No. 12 (b)	0.040000
Fort Bend ESD No. 5 (c)	0.100000
Total Overlapping Tax Rate	$1.708900
The District	1.060000
Total Tax Rate	$2.768900

(a) A portion of the District is located in the Lamar Consolidated Independent School District and the remaining portion of the District is located in the Fort Bend Independent School District. The Fort Bend Independent School District levied a 2025 tax rate of $1.056900 per $100 of taxable assessed valuation.
(b) Only a portion of the District is in the boundaries of LID 12. See "THE SYSTEM—Fort Bend County Levee Improvement District No. 12 and "INVESTMENT CONSIDERATIONS—Overlapping Debt and Taxes."
(c) Only Waterview Estates and Waterview Town Center are serviced by Fort Bend ESD No. 5. See "THE BONDS—Issuance of Additional Debt."

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 and the Outstanding Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See "Historical Tax Rate Distribution" and "Tax Roll Information" below, "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

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 May 15, 2004, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of taxable assessed valuation. 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" Below.

Historical Tax Rate Distribution

	2025	2024	2023	2022	2021
Debt Service Tax	$ 0.54	$ 0.54	$ 0.56	$ 0.63	$ 0.80
Maintenance Tax	0.52	0.52	0.51	0.45	0.36
Total District Tax Rate	$ 1.06	$ 1.06	$ 1.07	$ 1.08	$ 1.16

Exemptions

For tax year 2026, the District granted an 8.0% (but not less than $5,000) residential homestead exemption and a $35,000 exemption for persons disabled or 65 years of age or older.

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, (April 1 for personal property), but not later than May 1 of that year, and that remain delinquent on July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

Historical Tax Collections

The following 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 (b) Tax Levy	Total Collections As of June 30, 2026 (c) Amount	Percent
2021	$ 561,555,469	$ 1.16	$ 6,514,043	$ 6,513,327	99.99%
2022	776,012,239	1.08	8,380,932	8,379,378	99.98%
2023	901,491,010	1.07	9,645,954	9,644,331	99.98%
2024	955,852,635	1.06	10,132,038	10,126,465	99.94%
2025	1,004,335,073	1.06	10,645,952	10,569,083	99.28%

(a) As certified by the Appraisal 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 2022 through 2026 Taxable Assessed Valuations. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. A breakdown of the uncertified portion ($12,291,380) of the 2026 Taxable Assessed Valuation of $986,265,239 is not available.

	Type of Property			Gross	Deferments	Value	Taxable
Tax			Personal	Assessed	and	Subject	Assessed
Year	Land	Improvements	Property	Valuation	Exemptions	To Change	Valuation
2026	167,674,991	915,656,345	20,832,070	1,104,163,406	(130,189,547) (a)	12,291,380	986,265,239
2025	168,337,966	913,337,218	24,123,591	1,105,798,775	(101,463,702)	-	1,004,335,073
2024	161,888,177	897,161,283	20,698,091	1,079,747,551	(123,894,916)	-	955,852,635
2023	124,924,617	894,340,719	18,091,546	1,037,356,882	(135,865,872)	-	901,491,010
2022	123,093,735	739,986,704	16,622,751	879,703,190	(103,690,951)	-	776,012,239

(a) See "INVESTMENT CONSIDERATIONS—Certain Tax Exemptions Provided for Affordable Housing."

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 2026 Certified Taxable Assessed Valuation of $973,973,859. This represents ownership as of January 1, 2026. A principal taxpayer list related to the uncertified portion ($12,291,380) of the 2026 Taxable Assessed Valuation of $986,265,239 is not available.

Taxpayer	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
Precom 99 LLC (a)	$ 42,615,000	4.38%
Verbena at Waterview LP	36,058,650	3.70%
4833 Waterview Meadow LLC	15,668,961	1.61%
HMRT/CSIM Waterview Owner LLC	11,977,888	1.23%
Elegant Limited LLC & Shaikh Limited Company	11,100,500	1.14%
Housing Authority of The City of Rosenberg (a)	6,805,631	0.70%
99 Harlem Holdings LLC	5,783,611	0.59%
Exchangeright Net-Leased All-Cash 17 DST	5,472,961	0.56%
KMML Investment LLC	4,952,931	0.51%
Donald D Bassler Trust el al	4,723,749	0.48%
Total	$ 145,159,882	14.90%

(a) Apartment community. See "INVESTMENT CONSIDERATIONS—Certain Tax Exemptions Provided for Affordable Housing."

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 2026 Taxable Assessed Valuation of $986,265,239 ($973,973,859 of certified value plus $12,291,380 of uncertified value). 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 (2027-2048)	$3,656,971
$0.40 Tax Rate on 2026 Taxable Assessed Valuation	$3,747,808
Maximum Annual Debt Service Requirement (2028)	$5,749,031
$0.62 Tax Rate on 2026 Taxable Assessed Valuation	$5,809,102

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation will not be adjusted downward, and no person should rely upon such amount or its inclusion herein as assurance of its 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. See "TAX DATA—Debt Service Tax" and "—Maintenance and Operations Tax."

Property Tax Code and County-Wide Appraisal District

Title I of 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, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty, 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 spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. 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 before July 1. For tax year 2026, the District granted a 8.0% (but not less than $5,000) residential homestead exemption.

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 may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County 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% 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. 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. 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, which may be rejected by taxing units. 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 continue to accrue during the period of deferral.

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the tax payer 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.

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 "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a roll back election held within any of the districts described below.

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for the 2026 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year 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. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Houston, 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" herein.

Certain Tax Exemptions Provided for Affordable Housing

Several multi-family complexes are located within the District. Certain multi-family housing may be exempt from ad valorem taxation by the District pursuant to Chapter 303 of the Texas Local Government Code (the "PFC Act"), Chapter 392 of the Texas Local Government Code (the "Housing Authority Act"), or Chapter 394 of the Texas Local Government Code (the "HFC Act"), if certain conditions are met.

The PFC Act authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities.

Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. A PFC project approved on or after June 18, 2023, does not quality for an exemption with respect to taxes imposed by a conservation and reclamation district providing water, sewer, or drainage services to the development, unless an agreement is entered into with the district concerning payments in lieu of taxation. Projects for which PFC or Sponsor approval was received prior to the effective date of H.B. 2071 are governed by the prior law and are not subject to the same requirements. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

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

The Housing Authority Act authorizes cities and counties to create housing authorities to provide safe and sanitary housing for persons of low income within the area of operation of the housing authority. Multi-family property owned by a housing authority, including property for which a housing authority holds an equitable interest, is exempt from all taxes and special assessments of a city, county, the state, or another political subdivision, including conservation and reclamation districts such as the District, if certain conditions are met under the Housing Authority Act. The District is aware of one multi-family property located within the boundaries of the District that is in the process of ownership transfer to a housing authority.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of commercial, retail and multi-family properties and from single-family residences and of developed lots which are currently being marketed by the Developers, for sale to homebuilders for the construction of primary residences. The market value of such properties is related to general economic conditions in the greater Houston region and the national economy and those conditions can affect the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 23 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the greater Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and decline in the nation's real estate and financial markets could affect development and home-building plans in the District and restrain the growth of or reduce the District's property tax base.

Competition

The demand for and construction of single-family homes, commercial, and multifamily development in the District, which is 23 miles from downtown Houston, could be affected by competition from other commercial and multifamily 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.

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

Vacant Land and Vacant Lots

There are 10 vacant developed lots, 42 homes under construction, and approximately 7 acres served by trunkline water distribution, wastewater collection, and storm drainage facilities available for future commercial/multi-family development within the District. The District makes no representation as to when or if construction of improvements will occur on the commercial acreage will occur, or if the lot sales and building program will be successful. Failure of the builders to construct taxable improvements on the delivered lots or commercial land could restrict the rate of growth of taxable values in the District.

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 2026 Taxable Assessed Valuation is $986,265,239 ($973,973,859 certified plus $12,291,380 uncertified). After issuance of the Bonds, the maximum annual debt service requirement will be $5,749,031 (2028), and the average annual debt service requirement will be $3,656,971 (2027-2048 inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.62 and $0.40 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 the average annual debt service requirement, respectively.

No representation or suggestion is made that the uncertified portion ($12,291,380) of the 2026 Taxable Assessed Valuation 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."

Overlapping Debt and Taxes

Approximately 226 of the 873 acres located within the District are also located within the boundaries of LID 12 and is subject to taxation by LID 12. The 2025 tax rate of LID 12 is $0.040 per $100 of taxable assessed valuation ($0.025 for debt service and $0.015 for maintenance and operations). LID 12 has $3,050,000 principal amount of unlimited tax bonds outstanding.

The District intends that the composite of its tax rate and that of LID 12, will not exceed $1.50 per $100 of taxable assessed valuation, however, the District cannot control the tax rate of LID 12. There can be no assurances that the composite of the tax rates imposed by all jurisdictions on property in the District will be competitive with the composite of the tax rates of competing projects in the Harris/Fort Bend County region. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected. A combined tax rate of $1.20 per $100 of taxable assessed valuation for the District and LID 12 is higher than the tax rate of many municipal utility districts in the Houston metropolitan area, although such a combined rate is within the range set by many municipal utility districts in the Houston metropolitan area in stages of development comparable with the District.

Fort Bend ESD No. 5 held an election on May 3, 2025 to annex Waterview Estates and Waterview Town Center. Northeast Fort Bend County Fire Department, the department contracted by Fort Bend ESD No. 5 was notified by GHC911 on December 2, 2025 of the emergency response changes that would go into effect on December 9, 2025. The District has asked for termination of the City of Richmond agreement for the Waterview portion and to continue service for the McCrary Meadows portion. Fort Bend ESD No. 5 has levied a tax of $0.10 per $100 of taxable assessed valuation over the District portion in its boundary as of tax year 2025.

The current TCEQ rules regarding the feasibility of a bond issue for utility districts in Fort Bend County limit the projected "combined tax rate" attributable to an entity levying a tax for water, wastewater and drainage to $1.50 per $100 of taxable assessed valuation. In the case of the District, the total "combined tax rate" under current TCEQ rules includes the tax rate of the District and LID 12. If the total "combined tax rate" specifically attributable to water, sewer, drainage, roads and recreational facilities should ever exceed $1.50 per $100 of taxable assessed valuation, the District and LID 12 could be prohibited under rules of the TCEQ from selling additional bonds. See "Possible Impact on District Tax Rates" herein and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes."

Specific Flood Type Risks

Ponding (or Pluvial) Flood: occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can over capacitate a drainage system which becomes trapped and flows out into streets and nearby structures until it reaches a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam or levee.

Riverine (or Fluvial) Flood: 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 sheetflow overland. 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 floods are very dangerous and destructive not only because of the force of the water, but also the hurtling debris that is often swept up in the flow. They can occur within minutes or a few hours of excessive rainfall. They can also occur even if no rain has fallen, for instance, after a levee or dam has failed, or after a sudden release of water by a debris or ice jam. Controlled releases from a dam or levee also could potentially create a flooding condition in rivers or man-made drainage systems (canals or channels) downstream.

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 upon the Atlas 14 study, which is based upon a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties. 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 "THE SYSTEM—Flood Protection and Drainage."

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. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values in the District.

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.

Extreme Weather

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 25, 2017, and brought historic levels of rainfall during the successive four days.

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 in the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected. See "THE SYSTEM—Flood Protection and Drainage."

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.

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. A total of $109,915,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities, $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities and $31,000,000 principal amount of unlimited tax refunding bonds have been authorized by the District's voters. After the issuance of the Bonds, the District will have $23,305,000 principal amount of unlimited tax bonds for purchasing and constructing water, sewer, and drainage facilities authorized but unissued, no unlimited tax bonds for purchasing and constructing parks and recreational facilities authorized but unissued, and $30,105,000 principal amount of unlimited tax bonds for refunding outstanding bonds authorized but unissued. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes, including road bonds and park bonds. 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. See "THE BONDS—Issuance of Additional Debt."

Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed 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. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities and park and recreational facilities, but not road facilities, must be approved by the TCEQ.

After the reimbursements are made with Bond proceeds, the District will have fulfilled its reimbursement obligation to Ventana Partnerships for financing water, sewer, and drainage facilities. There are currently no outstanding reimbursements owed to Grand Mission. The District does not employ any formula with respect to taxable assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. 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.

Environmental Regulation and Air Quality

Wastewater treatment and water supply facilities are subject to stringent and complex environmental laws and regulations. Facilities must comply with environmental laws at the federal, state, and local levels. These laws and regulations can restrict or prohibit certain activities that affect the environment in many ways 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 District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ 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 coverage under MS4 Permit number TXR040504. 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.

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.

Future Legislation

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

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.

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") is expected to assign a municipal bond insured rating of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") is expected to assign 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 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (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 June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 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);

(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); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 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."

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without legal limitation 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, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the 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 if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes 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 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.

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to 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, therefore, such fees are contingent upon the 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 the 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.

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

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the Date of Delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

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 will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during 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 will be subject to a 20% disallowance of allocable interest expense.

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

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

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "—Tax Exemption," "—Additional Federal Income Tax Considerations—Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the OFFICIAL STATEMENT.

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

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this OFFICIAL STATEMENT. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

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

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

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could 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 recently enacted, proposed, pending or future legislation.

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 Tax Tech, 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 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 audited financial statement for the fiscal year ending June 30, 2025, was prepared by McCall Gibson Swedlund Barfoot Ellis, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the District's June 30, 2025 audited financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "THE SYSTEM—Water and Wastewater Operations" has been provided by Municipal Accounts & Consulting, L.P. and is included herein in reliance upon the authority of such firm as experts in the 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 annually 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 (Financial Statements of the District and certain supplemental schedules). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2026. Any financial statements so provided shall be prepared in accordance with generally accepted auditing standards 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 period 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, it 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.

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; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, 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, 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, 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, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond 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 SEC 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

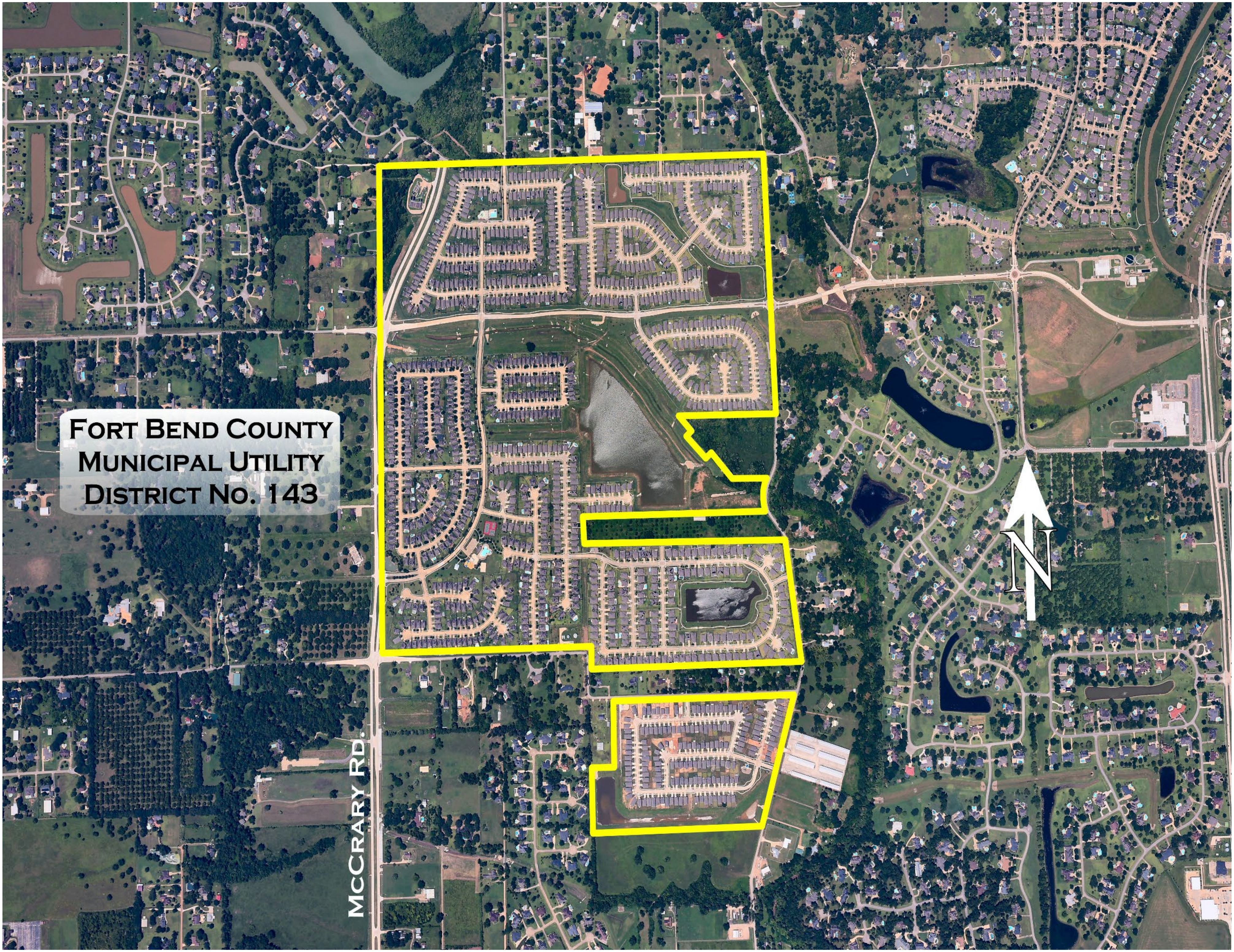
All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not 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/ Aaron M. McCubbin
President, Board of Directors

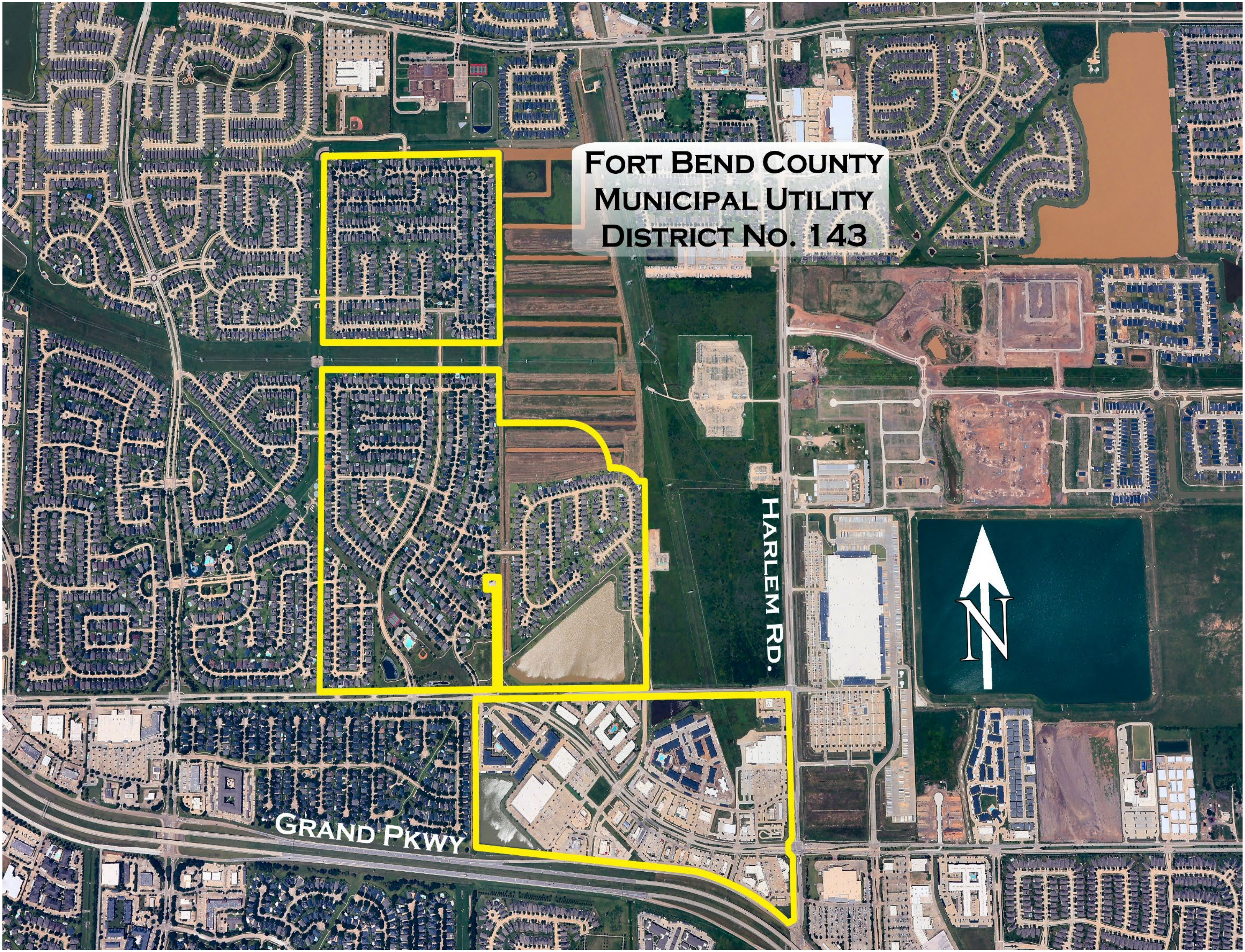
ATTEST:

/s/ Tyrone Howard
Secretary, Board of Directors

AERIAL PHOTOGRAPH
(As of July 2026)



FORT BEND COUNTY
MUNICIPAL UTILITY
DISTRICT NO. 143
McCRARY RD.
N



Fort Bend County
Municipal Utility
District No. 143
Harlem Rd.
Grand Pkwy
N

PHOTOGRAPHS OF THE DISTRICT
(As of July 2026)


ECHELON
ON 99
TOW AWAY ZONE


VERBENA
NOW LEASING
346.474.5760
VERBENAAPARTMENTS.COM


Aliana
PEDIATRIC DENTISTRY
TORCHYS
HOWDY
HOT CHICKEN
GYRO REPUBLIC
Jersey Mike's SUBS
Sharetea
hopdoddy
BURGER BAR
MAPLE STREET
BISCUIT COMPANY
GRAND EYE CARE
APEX URGENT CARE


Academy
SPORTS+OUTDOORS


LA FITNESS


SPEC'S WINE SPIRITS BEER
CHEYENNE


at home

APPENDIX A

Independent Auditor's Report and Financial Statements of the District for the year Ended June 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal Utility District No. 143
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. 143 (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.

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

Board of Directors
Fort Bend County Municipal Utility District No. 143

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. 143

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 10, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Management's discussion and analysis of the financial performance of Fort Bend County Municipal Utility District No. 143 (the "District") provides an overview of the District's financial activities for the 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 includes all of the District's assets, liabilities, and deferred 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 year. All current revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating 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.

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 explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by $22,264,377 as of June 30, 2025. A portion of the District's net position reflects its net investment in capital assets which includes land as well as the water, wastewater, drainage and recreational facilities, less any debt used to acquire those assets that is still outstanding.

The table on the following page is a comparative analysis of the changes in the Statement of Net Position as of June 30, 2025, and June 30, 2024.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 22,331,988	$ 20,517,353	$ 1,814,635
Capital Assets (Net of Accumulated Depreciation)	65,313,881	62,907,439	2,406,442
Total Assets	$ 87,645,869	$ 83,424,792	$ 4,221,077
Deferred Outflows of Resources	$ 291,833	$ 327,905	$ (36,072)
Bonds Payable	$ 62,611,501	$ 57,234,462	$ (5,377,039)
Due to Developers	536,376	1,207,019	670,643
Other Liabilities	2,525,448	7,371,562	4,846,114
Total Liabilities	$ 65,673,325	$ 65,813,043	$ 139,718
Net Position:			
Net Investment in Capital Assets	$ 4,889,151	$ 3,355,267	$ 1,533,884
Restricted	5,893,893	5,529,428	364,465
Unrestricted	11,481,333	9,054,959	2,426,374
Total Net Position	$ 22,264,377	$ 17,939,654	$ 4,324,723

The following table provides a summary of the District's operations for the years ended June 30, 2025, and June 30, 2024. The District's net position increased by $4,324,723.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 9,974,459	$ 9,525,055	$ 449,404
Charges for Services	4,526,520	4,407,608	118,912
Other Revenues	1,235,822	1,099,113	136,709
Total Revenues	$ 15,736,801	$ 15,031,776	$ 705,025
Expenses for Services	11,412,078	9,722,296	(1,689,782)
Change in Net Position	$ 4,324,723	$ 5,309,480	$ (984,757)
Net Position, Beginning of Year	17,939,654	12,630,174	5,309,480
Net Position, End of Year	$ 22,264,377	$ 17,939,654	$ 4,324,723

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as June 30, 2025, were $20,247,844, an increase of $6,834,511 from the prior year. The General Fund fund balance increased by $2,483,633, primarily due to property tax revenues, sales tax revenues, and service revenues exceeding operating, professional, administrative expenditures and capital outlay. The Debt Service Fund fund balance increased by $480,968 due to the structure of the District's outstanding debt. The Capital Projects Fund fund balance increased by $3,869,910. The District issued its Series 2025 Bonds to retire the prior year bond anticipation note, reimburse developers and pay for construction of infrastructure.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopted a budget for the General Fund for the current fiscal year. Actual revenues were $442,336 more than budgeted revenues, actual expenditures were $1,723,389 less than budgeted expenditures, and actual transfers in were $317,908 more than budgeted. This resulted in a positive variance of $2,483,633. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of June 30, 2025, total $65,313,881 (net of accumulated depreciation) and include land, as well as the water, wastewater, drainage and recreational facilities and the District's capacity interest in the Grand Mission Municipal Utility District No. 1 joint facilities. Capital asset activity during the current fiscal year included the District's share of improvements to shared facilities and improvements to District infrastructure.

Capital Assets At Year-End

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 5,915,612	$ 5,915,612	$
Construction in Progress	700,094	9,724,423	(9,024,329)
Capital Assets Subject to Depreciation:			
Water System	13,930,508	12,675,499	1,255,009
Wastewater System	27,831,180	16,864,151	10,967,029
Drainage System	29,144,980	28,157,457	987,523
Recreational Facilities	2,235,061	2,235,061	
Less Accumulated Depreciation	(14,443,554)	(12,664,764)	(1,778,790)
Total Net Capital Assets	$ 65,313,881	$ 62,907,439	$ 2,406,442

LONG-TERM DEBT ACTIVITY

As of June 30, 2025, the District had total bond debt payable of $62,585,000. The changes in the bond debt position of the District during the year ended June 30, 2025, are summarized as follows:

Bond Debt Payable, July 1, 2024	$ 57,195,000
Add: Bond Sale	8,545,000
Less: Bond Principal Paid	(3,155,000)
Bond Debt Payable, June 30, 2025	$ 62,585,000

The District's bonds have an underlying rating of either A- or A3. The bonds carry insured ratings of AA, A1, and/or AA+ by virtue of bond insurance issued by Build America Mutual Assurance Company or Assured Guaranty Inc., with the exception of the Series 2017 bonds which have had the rating withdrawn. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

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. 143, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 388,325	$ 335,516
Investments	11,219,209	6,214,445
Receivables:		
Property Taxes	45,523	48,842
Penalty and Interest on Delinquent Taxes		
Service Accounts	375,265	
Accrued Interest	28,035	10,073
Sales Taxes	171,058	
Other	3,576	
Due from Other Governmental Units	241,119	
Due from Other Funds	121,403	
Prepaid Costs	395,550	
Joint Facilities Operating Advances	373,970	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 13,363,033	$ 6,608,876
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 13,363,033	$ 6,608,876

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 455	$ 724,296	$	$ 724,296
2,430,859	19,864,513		19,864,513
	94,365		94,365
		16,760	16,760
	375,265		375,265
	38,108		38,108
	171,058		171,058
	3,576		3,576
	241,119		241,119
	121,403	(121,403)	
	395,550	33,408	428,958
	373,970		373,970
		5,915,612	5,915,612
		700,094	700,094
		58,698,175	58,698,175
$ 2,431,314	$ 22,403,223	$ 65,242,646	$ 87,645,869
$ - 0 -	$ - 0 -	$ 291,833	$ 291,833
$ 2,431,314	$ 22,403,223	$ 65,534,479	$ 87,937,702

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 1,501,883	$ 24,503
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		121,403
Security Deposits	413,225	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 1,915,108	$ 145,906
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 45,523	$ 48,842
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 395,550	$
Operating Advances	373,970	
Restricted for Authorized Construction		
Restricted for Debt Service		6,414,128
Unassigned	10,632,882	
TOTAL FUND BALANCES	$ 11,402,402	$ 6,414,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 13,363,033	$ 6,608,876
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.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 1,526,386	$	$ 1,526,386
		585,837	585,837
		536,376	536,376
	121,403	(121,403)	
	413,225		413,225
		3,525,000	3,525,000
		59,086,501	59,086,501
$ - 0 -	$ 2,061,014	$ 63,612,311	$ 65,673,325
$ - 0 -	$ 94,365	$ (94,365)	$ - 0 -
$	$ 395,550	$ (395,550)	$
	373,970	(373,970)	
2,431,314	2,431,314	(2,431,314)	
	6,414,128	(6,414,128)	
	10,632,882	(10,632,882)	
$ 2,431,314	$ 20,247,844	$ (20,247,844)	$ - 0 -
$ 2,431,314	$ 22,403,223		
		$ 4,889,151	$ 4,889,151
		5,893,893	5,893,893
		11,481,333	11,481,333
		$ 22,264,377	$ 22,264,377

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 20,247,844
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid bond insurance is amortized over the term of the refunding bonds.		33,408
The difference between the net carrying amount of the refunded bonds and the reacquisition price is recorded as deferred outflows of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		291,833
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		65,313,881
Deferred inflows of resources related to property tax revenues for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		111,125
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 Developers	$ (536,376)	
Accrued Interest Payable	(585,837)	
Bonds Payable	(62,611,501)	(63,733,714)
Total Net Position - Governmental Activities		$ 22,264,377

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
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	$ 4,949,219	$ 5,142,626
Water Service	735,057	
Wastewater Service	1,125,800	
Fire Protection Service	553,795	
Water Authority Fees	1,515,779	
Penalty and Interest	100,042	52,988
Connection and Inspection Fees	451,663	
Sales Tax Revenues	435,999	
Investment and Miscellaneous Revenues	458,482	209,031
TOTAL REVENUES	$ 10,325,836	$ 5,404,645
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 453,298	$ 750
Contracted Services	940,488	172,716
Purchased Water Service	920,300	
Purchased Wastewater Service	328,143	
Detention Facilities Costs	32,799	
Fire Protection Service	516,885	
Repairs and Maintenance	1,238,628	
Depreciation		
Other	2,259,507	13,283
Capital Outlay	1,436,313	
Developer Interest		
Debt Service:		
Bond Anticipation Note Interest		
Bond Issuance Costs	33,750	
Bond Principal		3,155,000
Bond Interest		1,581,928
TOTAL EXPENDITURES/EXPENSES	$ 8,160,111	$ 4,923,677
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 2,165,725	$ 480,968
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	$ 317,908	$
Proceeds from Issuance of Long-Term Debt		
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ 317,908	$ -0-
NET CHANGE IN FUND BALANCES	$ 2,483,633	$ 480,968
CHANGE IN NET POSITION		
FUND BALANCES (DEFICIT)/NET POSITION - JULY 1, 2024	8,918,769	5,933,160
FUND BALANCES/NET POSITION - JUNE 30, 2025	$ 11,402,402	$ 6,414,128

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 10,091,845	$ (117,386)	$ 9,974,459
	735,057		735,057
	1,125,800		1,125,800
	553,795		553,795
	1,515,779		1,515,779
	153,030	(8,604)	144,426
	451,663		451,663
	435,999		435,999
132,310	799,823		799,823
$ 132,310	$ 15,862,791	$ (125,990)	$ 15,736,801
$ 8,069	$ 462,117	$	$ 462,117
	1,113,204		1,113,204
	920,300	(245,669)	674,631
	328,143		328,143
	32,799		32,799
	516,885		516,885
	1,238,628	17,212	1,255,840
		1,778,790	1,778,790
60	2,272,850		2,272,850
3,191,105	4,627,418	(4,627,418)	
295,594	295,594		295,594
219,494	219,494		219,494
770,012	803,762		803,762
	3,155,000	(3,155,000)	
	1,581,928	76,041	1,657,969
$ 4,484,334	$ 17,568,122	$ (6,156,044)	$ 11,412,078
$ (4,352,024)	$ (1,705,331)	$ 6,030,054	$ 4,324,723
$ (317,908)	$	$	$
8,545,000	8,545,000	(8,545,000)	
(107,065)	(107,065)	107,065	
101,907	101,907	(101,907)	
$ 8,221,934	$ 8,539,842	$ (8,539,842)	$ -0-
$ 3,869,910	$ 6,834,511	$ (6,834,511)	$
		4,324,723	4,324,723
(1,438,596)	13,413,333	4,526,321	17,939,654
$ 2,431,314	$ 20,247,844	$ 2,016,533	$ 22,264,377

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
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	$ 6,834,511
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.	(117,386)
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.	(8,604)
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.	(1,778,790)
Governmental funds report capital outlay 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.	4,855,875
Governmental funds report bond premiums and bond discounts as other financing sources and uses in the year paid. However, in the Statement of Net Position, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	5,158
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.	3,155,000
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.	(76,041)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(8,545,000)
Change in Net Position - Governmental Activities	$ 4,324,723

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

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 143 was created effective November 4, 2003, by an Order of 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, 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 and to establish, operate and maintain a fire department. The Board of Directors held its first meeting on January 15, 2004, and sold its first bonds on December 15, 2005.

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.

The District has entered into a joint venture with Grand Mission Municipal Utility District No. 1 (Grand Mission), Fort Bend County Municipal Utility District No. 165 (District No. 165) and Grand Mission Municipal Utility District No. 2 (District No. 2) for water service through a joint water plant. Grand Mission has oversight over the water plant. Additional disclosure concerning this joint venture is provided in Note 8.

The District has entered into a joint venture with Grand Mission, District No. 165, and District No. 2 for wastewater disposal through a joint wastewater treatment plant. Grand Mission has oversight responsibility over the plant. Additional disclosure concerning this joint venture is provided in Note 9.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has entered into a joint venture with Grand Mission, District No. 165, and District No. 2 for construction and operation of joint detention facilities. Grand Mission has oversight responsibility over the facilities. Additional disclosure concerning this joint venture is provided in Note 10.

Financial Statement Presentation

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

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

These classifications are defined as follows:

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

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

Government-Wide Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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 in the government-wide Statement of Activities.

Fund Financial Statements and Governmental Funds

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.

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, operating 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 after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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. The Debt Service Fund recorded a payable to the General Fund of $121,403 for maintenance tax collections. This is a timing difference between collections and transfers between funds and was settled after year-end. During the current fiscal year, the Capital Projects Fund recorded a transfer of $317,908 to the General Fund to reimburse for bond issuances costs and construction costs paid from operating funds.

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
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Recreational Facilities	10-45

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors which is prepared using the same method of accounting as for financial reporting. The original General Fund budget was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Series 2013B Park	Series 2014 Refunding	Series 2015
Amounts Outstanding – June 30, 2025	$ 235,000	$ 2,250,000	$ 1,655,000
Interest Rates	3.25% - 3.50%	4.00%	3.00% - 3.625%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2036	September 1, 2025/2031	September 1, 2025/2039
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	Non-callable	September 1, 2022*	September 1, 2022*

* Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2013B bonds maturing on September 1, 2029 and 2036 are term bonds and are scheduled for mandatory redemption beginning on September 1, 2020 and 2030, respectively. The Series 2015 bonds maturing on September 1, 2029, 2031, 2033, 2035 and 2039 are scheduled for mandatory redemption beginning on September 1, 2028, 2030, 2032, 2034 and 2036, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016 Refunding	Series 2017	Series 2017A Refunding
Amounts Outstanding – June 30, 2025	$2,260,000	$9,825,000	$2,490,000
Interest Rates	3.00% - 3.25%	2.50% - 3.75%	2.375% - 3.50%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2032	September 1, 2025/2042	September 1, 2025/2036
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022**	September 1, 2024**	September 1, 2024**

	Series 2018	Series 2019 Park	Series 2020
Amounts Outstanding – June 30, 2025	$6,330,000	$1,245,000	$6,965,000
Interest Rates	3.125% - 3.75%	3.00% - 4.00%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2042	September 1, 2025/2042	September 1, 2025/2043
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2023**	September 1, 2024**	September 1, 2025**

** Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2017 bonds maturing on September 1, 2028, 2033, 2037, 2039 and 2042 are scheduled for mandatory redemption beginning on September 1, 2027, 2032, 2036, 2038 and 2040, respectively. The Series 2018 bonds maturing on September 1, 2030 and 2035 are scheduled for mandatory redemption beginning on September 1, 2029 and 2034, respectively. The Series 2019 bonds maturing on September 1, 2034, 2036, 2038, 2040, and 2042 are scheduled for mandatory redemption beginning on September 1, 2033, 2035, 2037, 2039, and 2041, respectively. The Series 2020 bonds maturing on September 1, 2028, 2041, and 2043 are scheduled for mandatory redemption beginning on September 1, 2027, 2040, and 2042, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2020A Refunding	Series 2020B	Series 2021
Amounts Outstanding – June 30, 2025	$1,530,000	$10,460,000	$5,280,000
Interest Rates	2.00%	1.00% - 3.50%	2.00% - 2.375%
Maturity Dates – Serially Beginning/Ending	March 1, 2026/2036	September 1, 2025/2045	September 1, 2025/2046
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	March 1, 2026***	September 1, 2025***	September 1, 2026***

	Series 2023	Series 2025
Amounts Outstanding – June 30, 2025	$3,515,000	$8,545,000
Interest Rates	3.00% - 4.00%	4.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2025/2046	March 1, 2026/2047
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2029***	March 1, 2031***

*** Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2020A bonds maturing on March 1, 2032 and 2036 are scheduled for mandatory redemption beginning on March 1, 2031 and 2033, respectively. The Series 2020B bonds maturing on September 1, 2042 and 2045 are scheduled for mandatory redemption beginning on September 1, 2040 and 2043, respectively. The Series 2021 bonds maturing on September 1, 2038, 2040 and 2046 are scheduled for mandatory redemption beginning on September 1, 2037, 2039 and 2041, respectively. The Series 2023 bonds maturing on September 1, 2031, 2033, 2035, 2037, 2039, 2041, 2044, and 2046 are scheduled for mandatory redemption beginning on September 1, 2030, 2032, 2034, 2036, 2038, 2040, 2042, and 2045, respectively. The Series 2025 bonds maturing on March 1, 2036 are scheduled for mandatory redemption beginning on March 1, 2035.

NOTE 3. LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total
2026	$ 3,525,000	$ 1,791,773	$ 5,316,773
2027	3,550,000	1,766,580	5,316,580
2028	3,585,000	1,667,808	5,252,808
2029	3,640,000	1,565,329	5,205,329
2030	3,670,000	1,460,433	5,130,433
2031-2035	16,305,000	5,748,653	22,053,653
2036-2040	14,565,000	3,437,226	18,002,226
2041-2045	11,525,000	1,237,666	12,762,666
2046-2047	2,220,000	91,368	2,311,368
	$ 62,585,000	$ 18,766,836	$ 81,351,836

The District has authorized but unissued bonds in the amount of $28,985,000 for utilities and $30,105,000 for refunding purposes. 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.

Bonds payable activity for the current fiscal year is summarized in the following table:

	July 1, 2024	Additions	Retirements	June 30, 2025
Bonds Payable	$ 57,195,000	$ 8,545,000	$ 3,155,000	$ 62,585,000
Unamortized Bond Discounts	(169,549)	(107,065)	(10,484)	(266,130)
Unamortized Bond Premiums	209,011	101,907	18,287	292,631
Bonds Payable, Net	$ 57,234,462	$ 8,539,842	$ 3,162,803	$ 62,611,501

Amount Due Within One Year	$ 3,525,000
Amount Due After One Year	59,086,501
Bonds Payable, Net	$ 62,611,501

During the year ended June 30, 2025, the District levied an ad valorem debt service tax rate of $0.54 per $100 of assessed valuation, which resulted in a tax levy of $5,153,740 on the adjusted taxable valuation of $954,396,228 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.

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 District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds.

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. 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 June 30, 2025, the carrying amount of the District's deposits was $1,899,296 and the bank balance was $2,696,883. The District was not exposed to custodial credit risk at year-end.

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	Certificates of Deposit	Total
GENERAL FUND	$ 388,325	$ 940,000	$ 1,328,325
DEBT SERVICE FUND	335,516	235,000	570,516
CAPITAL PROJECTS FUND	455		455
TOTAL DEPOSITS	$ 724,296	$ 1,175,000	$ 1,899,296

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's written investment policy which establishes guidelines by which it may invest is reviewed annually and may be more restrictive than the Public Funds Investment Act.

Certificates of deposit are recorded at acquisition cost.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. The District measures its investments in TexPool at amortized cost just as TexPool does. There are no limitations or restrictions on withdrawals from TexPool.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas Class.

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

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexPool	$ 39,397	$ 39,397
Texas CLASS	10,239,812	10,239,812
Certificates of Deposit	940,000	940,000
DEBT SERVICE FUND		
Texas CLASS	5,979,445	5,979,445
Certificate of Deposit	235,000	235,000
CAPITAL PROJECTS FUND		
Texas CLASS	2,430,859	2,430,859
TOTAL INVESTMENTS	$ 19,864,513	$ 19,864,513

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in TexPool and Texas CLASS were rated AAAm by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and Texas CLASS to have maturities of less than one year since the share positions can usually be redeemed each day at the discretion of the District, unless there have been significant changes in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

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

NOTE 6. CAPITAL ASSETS

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

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 5,915,612	$	$	$ 5,915,612
Construction in Progress	9,724,423	4,184,779	13,209,108	700,094
Total Capital Assets Not Being Depreciated	$ 15,640,035	$ 4,184,779	$ 13,209,108	$ 6,615,706
Capital Assets Subject to Depreciation				
Water System	$ 12,675,499	$ 1,255,009	$	$ 13,930,508
Wastewater System	16,864,151	10,967,029		27,831,180
Drainage System	28,157,457	987,523		29,144,980
Recreational Facilities	2,235,061			2,235,061
Total Capital Assets Subject to Depreciation	$ 59,932,168	$ 13,209,561	$ - 0 -	$ 73,141,729
Accumulated Depreciation				
Water System	$ 3,045,483	$ 385,938	$	$ 3,431,421
Wastewater System	3,986,545	593,422		4,579,967
Drainage System	4,929,331	664,419		5,593,750
Recreational Facilities	703,405	135,011		838,416
Total Accumulated Depreciation	$ 12,664,764	$ 1,778,790	$ - 0 -	$ 14,443,554
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 47,267,404	$ 11,430,771	$ - 0 -	$ 58,698,175
Total Capital Assets, Net of Accumulated Depreciation	$ 62,907,439	$ 15,615,550	$ 13,209,108	$ 65,313,881

NOTE 7. MAINTENANCE TAX

On May 15, 2004, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system or for any other lawful purposes. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.52 per $100 of assessed valuation, which resulted in a tax levy of $4,962,860 on the adjusted taxable valuation of $954,396,228 for the 2024 tax year.

NOTE 8. REGIONAL WATER SUPPLY SYSTEM

The District is a participant in a regional water supply system with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended. Approximately 200 acres annexed into the District in 2014, 166 acres annexed in 2019, and 58 acres annexed in 2021 are not served by the Grand Mission regional water supply system.

Grand Mission holds title to the water plant and has responsibility for capital improvements as well as maintenance of the water plant. The costs of operating and maintaining the water plant are shared based on metered water usage within each District. Non-routine repairs and maintenance costs are shared based on ownership capacity. During the year ended June 30, 2025, the District paid $920,300 for purchased water. The District maintains a reserve balance of $257,480. Unless terminated by mutual agreement of the participants, the contracts will continue in force and effect as long as the participants are in existence.

The following summary financial data on the joint water plant is presented for the fiscal year ended June 30, 2025. Separate financial statements are not issued for the plant.

Total Assets	$	2,689,252
Total Liabilities		1,578,086
Total Fund Balance	$	1,111,166
Total Revenues	$	6,681,242
Total Expenditures		6,681,242
Excess Revenues (Expenditures)	$	-0-
Other Financing Sources: Reserve Adjustment		174,517
Net Increase in Fund Balance	$	174,517
Fund Balance, Beginning of Year		936,649
Fund Balance, End of Year	$	1,111,166

NOTE 9. REGIONAL WASTEWATER TREATMENT FACILITIES

The District is a participant in regional wastewater treatment facilities with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended. Approximately 200 acres annexed into the District in 2014, 166 acres annexed in 2019, and 58 acres annexed in 2021 are not served by the Grand Mission regional wastewater treatment facilities. The District owns an aggregate of 454,390 gpd of wastewater treatment capacity in the plant. Ownership of the system belongs to Grand Mission. Unless terminated by mutual agreement of the participants, the contracts will continue in force and effect as long as the participants are in existence. Monthly billings consist of a fixed capacity charge, currently $1.50 per 1,000 gallons of treatment capacity in the system reserved to each participant, and an operating charge, currently $14.16 per active single family residential connections. During the year ended June 30, 2025, the District incurred costs of $328,143 for purchased wastewater services. The District maintains a reserve balance of $111,088.

The following summary financial data of the joint wastewater treatment facilities is presented for the fiscal year ended June 30, 2025. Separate financial statements are not issued for the plant.

Total Assets	$	983,868
Total Liabilities		572,252
Total Fund Balance	$	411,616
Total Revenues	$	1,257,546
Total Expenditures		1,257,546
Net Increase in Fund Balance	$	-0-
Fund Balance, Beginning of Year		411,616
Fund Balance, End of Year	$	411,616

NOTE 10. REGIONAL DETENTION FACILITIES

The District is a participant in regional detention facilities with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended. Approximately 200 acres annexed into the District in 2014, 166 acres annexed in 2019, and 58 acres annexed in 2021 are not served by the Grand Mission regional detention facilities. Grand Mission operates the detention facilities. Each district is responsible for operation and maintenance costs based on its pro rata share of detention volume.

NOTE 10. REGIONAL DETENTION FACILITIES (Continued)

During the year ended June 30, 2025, the District incurred detention facilities costs of $32,799. The District maintains a reserve balance of $5,401. The term of this agreement is 50 years from its effective date. The following summary financial data is presented for the fiscal year ended June 30, 2025.

Total Assets	$	35,546
Total Liabilities		8,004
Total Fund Balance	$	27,542
Total Revenues	$	137,749
Total Expenditures		137,749
Net Decrease in Fund Balance	$	-0-
Fund Balance, Beginning of Year		27,542
Fund Balance, End of Year	$	27,542

NOTE 11. UNREIMBURSED COSTS

Developers within the District have made expenditures on behalf of the District for various projects. Reimbursements are expected to come from the proceeds of future bond sales. Current year changes to the amounts owed to the Developers are as follows:

Due to Developers, July 1, 2024	$	1,207,019
Less: Current Year Reimbursements		(670,643)
Due to Developers, June 30, 2025	$	536,376

NOTE 12. 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 and no settlements have exceeded coverage in the past three years.

NOTE 13. FIRE PROTECTION AGREEMENT

On October 18, 2004, the District entered into a Fire Protection Agreement (the "Agreement") with the City of Richmond, Texas (the "City") which calls for the City to provide fire protection to persons, buildings and property located within the District within the City's extraterritorial jurisdiction. This agreement became effective after receipt of approval of the plan from the Commission and the Board of Directors declaring the favorable results of the voter election to approve the fire plan in November 2007. In a prior year, the District paid the City $67,817 as a cash contribution toward the capital cost of the new fire station. The City's new fire station is on Farmer Road, approximately two miles from the District. The term of the Agreement is 15 years, and is automatically renewed for successive one-year terms. As of the fiscal year end, the District pays the City $14.80 for each residential unit in the District that is connected to the public water supply system and $14.80 per 2,000 square feet or part thereof of building floor area for every improved non-residential property. Monthly charges are adjusted annually by the City. The District's rate order in effect as of the fiscal year end requires each equivalent residential connection to be billed $14.80 per month and each commercial connection to be billed $14.80 per 2,000 square feet or part thereof of building floor area.

NOTE 14. NORTH FORT BEND WATER AUTHORITY

The District is located within the boundaries of the North Fort Bend Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 3482 (the "Act"), for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority charges fees based on the amount of water pumped or surface water purchased. The District participates in regional water facilities with adjacent districts (see Note 8) to serve the majority of the District's customers. The McCrary Meadows development is served by a separate water supply system.

NOTE 15. EMERGENCY WATER SUPPLY AGREEMENT

On May 1, 2006, the District executed an Emergency Water Supply Agreement with Fort Bend County Municipal Utility District No. 118 and for notice and consent purposes District No. 165, Grand Mission and District No. 2. The parties agree to furnish water to each other on an emergency basis for a maximum period of 30 days unless otherwise agreed in writing between the districts. The price to be paid for water delivered is $1.00 per 1,000 gallons of water supplied, plus an additional amount necessary to cover Authority pumpage charges. The term of the agreement is 40 years and will be automatically extended year to year unless cancelled by a participating district.

NOTE 16. LIFT STATION AGREEMENTS

On August 6, 2007, the District entered into a cost sharing agreement with Grand Mission. The District operates and maintains the lift station. The District bills Grand Mission for its share of costs based on each district's pro-rata share of equivalent single family residential connections to be served by the lift station within each district's tract.

The District entered into a cost sharing agreement with District No. 165 for the construction and maintenance of a lift station on January 12, 2006. The District's share of the maintenance is 11.07%.

NOTE 17. ON-SITE FORCE MAIN AGREEMENT

On January 12, 2006, the District entered into a Construction and Financing Agreement for an On-site Force Main with District No. 165. This agreement was amended on October 9, 2008. Construction and engineering costs will be allocated based on each district's pro-rata share of equivalent single family residential connections to be served by the on-site force main within each district's tract. District No. 165 operates and maintains the on-site force main and bills the District its pro-rata share of operating costs.

NOTE 18. OFF-SITE FORCE MAIN AGREEMENT

On January 12, 2006, and as amended on October 9, 2008, the District entered into a Construction and Financing Agreement for an Off-site Force Main with District No. 165. Construction and engineering costs will be allocated based on each district's pro-rata share of equivalent single family residential connections to be served by the off-site force main within each district's tract. District No. 165 operates and maintains the off-site force main and bills the District its pro-rata share of operating costs.

NOTE 19. STRATEGIC PARTNERSHIP AGREEMENT

The District entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City") pursuant to Chapter 43 of the Texas Local Government Code on December 19, 2011. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances and impose a sales tax within the District.

NOTE 19. STRATEGIC PARTNERSHIP AGREEMENT (Continued)

Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City of Houston for limited purposes and the City of Houston has imposed a one percent sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. Residential development within the District is not subject to the limited purpose annexation. The SPA provides the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist if the land within the District were to be annexed for full or limited purposes by the City. The SPA also provides that the City will not annex the District for "full purposes" (a traditional municipal annexation) for at least 30 years from the effective date of the SPA, which is 2041. Sales tax revenues of $435,999 were collected in the current fiscal year.

NOTE 20. AGREEMENT WITH WATERVIEW ESTATES HOA

On January 4, 2016, the District entered into an agreement with the Waterview Estates Owners Association, Inc. ("HOA"). The agreement has been amended several times and carries a one-year term with an annual renewal process. The District agrees to construct future improvements, if any, within the District's Amended Park Plan as noted in this agreement. The HOA will inspect, maintain and repair the future improvements. Also, with the execution of this agreement, the prior cost sharing agreement with the HOA for security patrol services for the Waterview Estates subdivision was terminated. The District's contribution to the HOA toward the cost of maintaining the improvements and the cost of additional security patrol in the District will be $456,000 for the calendar year 2025.

NOTE 21. AGREEMENT WITH MCCRARY MEADOWS HOA

On January 8, 2018, the District entered into an agreement with the McCrary Meadows Homeowners Association, Inc. ("McCrary Meadows HOA"). This agreement has been amended several times and carries a one-year term with an annual renewal process. The District agrees to construct future improvements, if any, within the District's Amended Park Plan as noted in this agreement. The McCrary Meadows HOA will inspect, maintain and repair the future improvements. The District's contribution to the McCrary Meadows HOA toward the cost of maintaining the improvements in the District will be $293,979 for the calendar year 2025.

NOTE 22. WATER SUPPLY CAPACITY COST SHARING AND EMERGENCY WATER SUPPLY AGREEMENT

On February 2, 2015, the District entered into a Water Supply Cost Sharing and Emergency Water Supply Agreement with Fort Bend County Water Control and Improvement District No. 8 ("WCID No. 8") for the construction of a water plant, water well and a generator (collectively, the "Water Well"). WCID No. 8 holds title to the Water Well and has responsibility for operating and maintaining the Water Well. The parties agree to furnish water to each other in the event of an emergency. The price to be paid for water delivered is $1.00 per 1,000 gallons of water supplied, plus an additional amount necessary to cover Authority pumpage charges. The term of the agreement is 40 years and will be automatically extended year-to-year, unless cancelled by a participating district.

NOTE 23. BOND SALE

On May 15, 2025, the District sold its Series 2025 Bonds in the amount of $8,545,000. Proceeds of the bonds were used to reimburse a developer for a portion of the construction and engineering costs for: Jones Creek Reserve at McCrary Meadows Detention Phase 1; Jones Creek Reserve, Section 1 water, sewer and drainage facilities; Brandt Road from McCrary Road to Precinct Line Road Phase 1; and land acquisition for Jones Creek Reserve Detention Site; Bond proceeds were also used to retire the Series 2024 BAN, pay for improvements to District facilities, and pay issuance costs of the bonds.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 4,600,200	$ 4,949,219	$ 349,019
Water Service	767,800	735,057	(32,743)
Wastewater Service	1,060,200	1,125,800	65,600
Fire Protection Service	552,200	553,795	1,595
Water Authority Fees	1,650,700	1,515,779	(134,921)
Penalty and Interest	95,000	100,042	5,042
Connection and Inspection Fees	305,000	451,663	146,663
Sales Tax Revenues	350,500	435,999	85,499
Investment and Miscellaneous Revenues	501,900	458,482	(43,418)
TOTAL REVENUES	$ 9,883,500	$ 10,325,836	$ 442,336
EXPENDITURES			
Service Operations:			
Professional Fees	$ 310,500	$ 453,298	$ (142,798)
Contracted Services	839,600	940,488	(100,888)
Purchased Water Service	1,562,739	920,300	642,439
Purchased Wastewater Service	341,780	328,143	13,637
Detention Facilities Costs	32,539	32,799	(260)
Fire Protection Service	552,200	516,885	35,315
Repairs, Maintenance, Capital Outlay	4,017,887	2,674,941	1,342,946
Other	2,226,255	2,293,257	(67,002)
TOTAL EXPENDITURES	$ 9,883,500	$ 8,160,111	$ 1,723,389
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -0-	$ 2,165,725	$ 2,165,725
OTHER FINANCING SOURCES (USES)			
Transfers In	$ -0-	$ 317,908	$ 317,908
NET CHANGE IN FUND BALANCE	$ -0-	$ 2,483,633	$ 2,483,633
FUND BALANCE - JULY 1, 2024	8,918,769	8,918,769	
FUND BALANCE - JUNE 30, 2025	$ 8,918,769	$ 11,402,402	$ 2,483,633

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 1" METER (OR EQUIVALENT):

The rates below are based on the rate order approved August 9, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 20.00	8,000	N	$ 1.00	8,001-15,000
				$ 1.25	15,001-20,000
				$ 1.50	20,001-25,000
				$ 2.50	25,001-30,000
				$ 3.00	30,000 and up
WASTEWATER:	$ 34.25	N/A	Y		
SURCHARGE:					
Solid Waste/ Garbage	Included in fees above				
Commission Regulatory Assessments	Included in fees above				
Water Authority Fees	$4.90 per 1,000 gallons of water				
Fire Protection Services	$14.80	N/A			

District employs winter averaging for wastewater usage? X Yes ___ No

Total monthly charges per 10,000 gallons usage: Water: $22.00 Wastewater: $34.25 Surcharge: $63.80

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	2,366	2,360	x 1.0	2,360
1"	127	127	x 2.5	318
1½"	6	6	x 5.0	30
2"	45	45	x 8.0	360
3"	4	4	x 15.0	60
4"	1	1	x 25.0	25
6"	7	7	x 50.0	350
8"	7	7	x 80.0	560
10"			x 115.0	
Total Water Connections	2,563	2,557		4,063
Total Wastewater Connections	2,458	2,452	x 1.0	2,452

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

Gallons billed to customers: 319,178,000

* The District participates in joint water supply facilities with Grand Mission, District No. 2, and District No. 165 (see Note 8).

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

Does the District have Debt Service standby fees? Yes ___ No _X_

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

5. **LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes _X_ No ____

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely ____ Partly ____ Not at all _X_

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

Entirely _X_ Partly ____ Not at all ____

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes ____ No _X_

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

PROFESSIONAL FEES:		
Auditing	$	25,500
Engineering		233,272
Legal		194,526
TOTAL PROFESSIONAL FEES	$	453,298
PURCHASED SERVICES FOR RESALE:		
Purchased Water Service	$	920,300
Purchased Wastewater Service		328,143
Detention Facilities Costs		32,799
TOTAL PURCHASED SERVICES FOR RESALE	$	1,281,242
CONTRACTED SERVICES:		
Bookkeeping	$	81,421
Operations and Billing		212,948
Solid Waste Disposal		631,219
Other Contracted Services		14,900
TOTAL CONTRACTED SERVICES	$	940,488
UTILITIES	$	107,404
REPAIRS AND MAINTENANCE	$	1,238,628
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes, Administration, and Travel	$	34,597
Insurance		31,414
Office Supplies and Postage		23,721
Meetings, Document Storage, and Other		15,171
TOTAL ADMINISTRATIVE EXPENDITURES	$	104,903
CAPITAL OUTLAY	$	1,436,313
FIRE FIGHTING	$	516,885
OTHER EXPENDITURES:		
Annexation Costs	$	126,723
Chemicals		33,686
Laboratory Fees		57,890
Connection, Inspection and Reconnection Fees		245,518
Water Authority Assessments - McCrary Meadows		687,382
Permit Fees and Regulatory Assessments		59,825
Sludge Hauling		97,844
Bond Issuance Costs		33,750
HOA Maintenance Costs		738,332
TOTAL OTHER EXPENDITURES	$	2,080,950
TOTAL EXPENDITURES	$	8,160,111

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
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
GENERAL FUND					
TexPool	XXXX0002	Varies	Daily	$ 39,397	$
Texas CLASS	XXXX0001	Varies	Daily	10,239,812	
Certificate of Deposit	XXXX8901	5.00%	09/07/25	235,000	9,529
Certificate of Deposit	XXXX7379	4.56%	08/17/25	235,000	3,875
Certificate of Deposit	XXXX6255	4.50%	07/08/25	235,000	4,954
Certificate of Deposit	XXXX5945	5.01%	08/01/25	235,000	9,677
TOTAL GENERAL FUND				$ 11,219,209	$ 28,035
DEBT SERVICE FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 5,979,445	$
Certificate of Deposit	XXXX0729	5.25%	07/01/25	235,000	10,073
TOTAL DEBT SERVICE FUND				$ 6,214,445	$ 10,073
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 2,761	$
Texas CLASS	XXXX0005	Varies	Daily	473,161	
Texas CLASS	XXXX0007	Varies	Daily	1,954,937	
TOTAL CAPITAL PROJECTS FUND				$ 2,430,859	$ - 0 -
TOTAL - ALL FUNDS				$ 19,864,513	$ 38,108

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JULY 1, 2024	$ 99,074		$ 112,677	
Adjustments to Beginning Balance	(67,192)	$ 31,882	(74,949)	$ 37,728
Original 2024 Tax Levy	$ 4,966,372		$ 5,157,386	
Adjustment to 2024 Tax Levy	(3,512)	4,962,860	(3,646)	5,153,740
TOTAL TO BE ACCOUNTED FOR		$ 4,994,742		$ 5,191,468
TAX COLLECTIONS:				
Prior Years	$ 25,765		$ 29,808	
Current Year	4,923,454	4,949,219	5,112,818	5,142,626
TAXES RECEIVABLE - JUNE 30, 2025		$ 45,523		$ 48,842
TAXES RECEIVABLE BY YEAR:				
2024		$ 39,406		$ 40,922
2023		3,293		3,616
2022		2,381		3,333
2021		222		494
2020		221		477
TOTAL		$ 45,523		$ 48,842

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	$ 161,888,177	$ 124,924,617	$ 123,470,745	$ 112,529,275
Improvements	846,399,654	808,824,907	662,922,592	456,277,753
Personal Property	20,698,091	18,091,546	16,622,751	13,557,895
Exemptions	(74,589,694)	(49,607,972)	(25,757,312)	(20,276,040)
TOTAL PROPERTY VALUATIONS	$ 954,396,228	$ 902,233,098	$ 777,258,776	$ 562,088,883
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.54	$ 0.56	$ 0.63	$ 0.80
Maintenance	0.52	0.51	0.45	0.36
TOTAL TAX RATES PER $100 VALUATION	$ 1.06	$ 1.07	$ 1.08	$ 1.16
ADJUSTED TAX LEVY*	$ 10,116,600	$ 9,653,894	$ 8,394,395	$ 6,520,231
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.21 %	99.93 %	99.93 %	99.99 %

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

Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by voters on May 15, 2004.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	S E R I E S - 2 0 1 3 B		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 20,000	$ 7,650	$ 27,650
2027	20,000	7,000	27,000
2028	20,000	6,350	26,350
2029	20,000	5,700	25,700
2030	20,000	5,050	25,050
2031	20,000	4,375	24,375
2032	20,000	3,675	23,675
2033	20,000	2,975	22,975
2034	20,000	2,275	22,275
2035	20,000	1,575	21,575
2036	20,000	875	20,875
2037	15,000	263	15,263
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 235,000	$ 47,763	$ 282,763

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2014 REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 275,000	$ 84,500	$ 359,500
2027	290,000	73,200	363,200
2028	305,000	61,300	366,300
2029	320,000	48,800	368,800
2030	335,000	35,700	370,700
2031	355,000	21,900	376,900
2032	370,000	7,400	377,400
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 2,250,000	$ 332,800	$ 2,582,800

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2015		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 115,000	$ 53,425	$ 168,425
2027	110,000	50,050	160,050
2028	110,000	46,750	156,750
2029	110,000	43,381	153,381
2030	110,000	39,944	149,944
2031	110,000	36,438	146,438
2032	110,000	32,863	142,863
2033	110,000	29,218	139,218
2034	110,000	25,506	135,506
2035	110,000	21,725	131,725
2036	110,000	17,875	127,875
2037	110,000	13,956	123,956
2038	110,000	9,969	119,969
2039	110,000	5,982	115,982
2040	110,000	1,994	111,994
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 1,655,000	$ 429,076	$ 2,084,076

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

Due During Fiscal Years Ending June 30	SERIES-2016 REFUNDING Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 250,000	$ 65,588	$ 315,588
2027	260,000	57,937	317,937
2028	270,000	49,988	319,988
2029	280,000	41,738	321,738
2030	285,000	33,263	318,263
2031	295,000	24,378	319,378
2032	305,000	15,003	320,003
2033	315,000	5,119	320,119
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 2,260,000	$ 293,014	$ 2,553,014

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2017		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 525,000	$ 324,812	$ 849,812
2027	525,000	311,031	836,031
2028	525,000	295,937	820,937
2029	550,000	279,812	829,812
2030	550,000	263,313	813,313
2031	550,000	246,469	796,469
2032	550,000	228,937	778,937
2033	550,000	210,375	760,375
2034	550,000	191,125	741,125
2035	550,000	171,875	721,875
2036	550,000	152,625	702,625
2037	550,000	133,031	683,031
2038	550,000	113,094	663,094
2039	550,000	92,813	642,813
2040	550,000	72,188	622,188
2041	550,000	51,562	601,562
2042	550,000	30,937	580,937
2043	550,000	10,312	560,312
2044			
2045			
2046			
2047			
	$ 9,825,000	$ 3,180,248	$ 13,005,248

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES - 2017A REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 190,000	$ 75,794	$ 265,794
2027	195,000	70,978	265,978
2028	195,000	65,738	260,738
2029	195,000	60,131	255,131
2030	200,000	54,206	254,206
2031	205,000	48,003	253,003
2032	205,000	41,469	246,469
2033	215,000	34,509	249,509
2034	215,000	27,254	242,254
2035	220,000	19,775	239,775
2036	225,000	11,987	236,987
2037	230,000	4,025	234,025
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 2,490,000	$ 513,869	$ 3,003,869

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

Due During Fiscal Years Ending June 30	S E R I E S - 2 0 1 8 Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 275,000	$ 210,503	$ 485,503
2027	275,000	201,909	476,909
2028	275,000	193,144	468,144
2029	275,000	184,206	459,206
2030	275,000	175,269	450,269
2031	275,000	166,331	441,331
2032	275,000	157,394	432,394
2033	275,000	148,456	423,456
2034	350,000	138,300	488,300
2035	350,000	126,706	476,706
2036	400,000	114,050	514,050
2037	400,000	100,550	500,550
2038	425,000	86,628	511,628
2039	425,000	72,284	497,284
2040	430,000	57,587	487,587
2041	450,000	41,906	491,906
2042	450,000	25,313	475,313
2043	450,000	8,438	458,438
2044			
2045			
2046			
2047			
	$ 6,330,000	$ 2,208,974	$ 8,538,974

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2019 PARK		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 50,000	$ 45,644	$ 95,644
2027	50,000	44,144	94,144
2028	60,000	42,494	102,494
2029	60,000	40,618	100,618
2030	60,000	38,631	98,631
2031	65,000	36,480	101,480
2032	75,000	33,984	108,984
2033	75,000	31,219	106,219
2034	75,000	28,359	103,359
2035	75,000	25,453	100,453
2036	75,000	22,500	97,500
2037	75,000	19,500	94,500
2038	75,000	16,500	91,500
2039	75,000	13,500	88,500
2040	75,000	10,500	85,500
2041	75,000	7,500	82,500
2042	75,000	4,500	79,500
2043	75,000	1,500	76,500
2044			
2045			
2046			
2047			
	$ 1,245,000	$ 463,026	$ 1,708,026

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	S E R I E S - 2 0 2 0		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 350,000	$ 165,150	$ 515,150
2027	350,000	156,400	506,400
2028	350,000	149,400	499,400
2029	350,000	142,400	492,400
2030	350,000	135,400	485,400
2031	350,000	128,181	478,181
2032	365,000	120,356	485,356
2033	375,000	112,032	487,032
2034	375,000	103,594	478,594
2035	375,000	94,687	469,687
2036	375,000	85,313	460,313
2037	375,000	75,937	450,937
2038	375,000	66,328	441,328
2039	375,000	56,484	431,484
2040	375,000	46,406	421,406
2041	375,000	36,094	411,094
2042	375,000	25,781	400,781
2043	375,000	15,470	390,470
2044	375,000	5,156	380,156
2045			
2046			
2047			
	$ 6,965,000	$ 1,720,569	$ 8,685,569

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2020A REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	$ 240,000	$ 30,600	$ 270,600
2027	240,000	25,800	265,800
2028	240,000	21,000	261,000
2029	245,000	16,200	261,200
2030	250,000	11,300	261,300
2031	60,000	6,300	66,300
2032	55,000	5,100	60,100
2033	55,000	4,000	59,000
2034	55,000	2,900	57,900
2035	45,000	1,800	46,800
2036	45,000	900	45,900
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	$ 1,530,000	$ 125,900	$ 1,655,900

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2020B		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 500,000	$ 194,144	$ 694,144
2027	500,000	182,894	682,894
2028	500,000	177,269	677,269
2029	500,000	170,706	670,706
2030	500,000	163,519	663,519
2031	500,000	155,706	655,706
2032	500,000	147,269	647,269
2033	500,000	138,519	638,519
2034	500,000	129,456	629,456
2035	500,000	119,768	619,768
2036	500,000	109,768	609,768
2037	500,000	99,769	599,769
2038	500,000	89,769	589,769
2039	495,000	79,819	574,819
2040	495,000	69,919	564,919
2041	495,000	59,709	554,709
2042	495,000	49,190	544,190
2043	495,000	38,672	533,672
2044	495,000	27,844	522,844
2045	495,000	16,706	511,706
2046	495,000	5,569	500,569
2047			
	$ 10,460,000	$ 2,225,984	$ 12,685,984

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
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 September 1	Interest Due September 1/ March 1	Total
2026	$ 225,000	$ 112,413	$ 337,413
2027	225,000	107,912	332,912
2028	225,000	103,413	328,413
2029	225,000	98,912	323,912
2030	225,000	94,413	319,413
2031	225,000	89,912	314,912
2032	225,000	85,413	310,413
2033	225,000	80,912	305,912
2034	230,000	76,363	306,363
2035	250,000	71,562	321,562
2036	250,000	66,563	316,563
2037	250,000	61,406	311,406
2038	250,000	55,937	305,937
2039	250,000	50,313	300,313
2040	250,000	44,531	294,531
2041	250,000	38,594	288,594
2042	250,000	32,656	282,656
2043	250,000	26,719	276,719
2044	250,000	20,781	270,781
2045	250,000	14,844	264,844
2046	250,000	8,906	258,906
2047	250,000	2,969	252,969
	$ 5,280,000	$ 1,345,444	$ 6,625,444

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2023		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 160,000	$ 119,800	$ 279,800
2027	160,000	115,000	275,000
2028	160,000	110,200	270,200
2029	160,000	105,400	265,400
2030	160,000	100,600	260,600
2031	160,000	95,800	255,800
2032	160,000	91,000	251,000
2033	160,000	86,200	246,200
2034	160,000	81,400	241,400
2035	160,000	76,400	236,400
2036	160,000	71,200	231,200
2037	160,000	65,600	225,600
2038	160,000	59,600	219,600
2039	160,000	53,600	213,600
2040	160,000	47,600	207,600
2041	160,000	41,400	201,400
2042	160,000	35,000	195,000
2043	160,000	28,600	188,600
2044	160,000	22,200	182,200
2045	160,000	15,800	175,800
2046	160,000	9,400	169,400
2047	155,000	3,100	158,100
	$ 3,515,000	$ 1,434,900	$ 4,949,900

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

	SERIES-2025		
Due During Fiscal Years Ending June 30	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	$ 350,000	$ 301,750	$ 651,750
2027	350,000	362,325	712,325
2028	350,000	344,825	694,825
2029	350,000	327,325	677,325
2030	350,000	309,825	659,825
2031	350,000	292,325	642,325
2032	350,000	274,825	624,825
2033	350,000	257,325	607,325
2034	350,000	243,325	593,325
2035	350,000	229,325	579,325
2036	350,000	215,325	565,325
2037	350,000	201,325	551,325
2038	350,000	187,325	537,325
2039	350,000	173,325	523,325
2040	460,000	158,888	618,888
2041	455,000	139,913	594,913
2042	455,000	120,575	575,575
2043	455,000	101,238	556,238
2044	455,000	81,331	536,331
2045	455,000	61,425	516,425
2046	455,000	40,950	495,950
2047	455,000	20,474	475,474
	$ 8,545,000	$ 4,445,269	$ 12,990,269

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2025

Due During Fiscal Years Ending June 30	ANNUAL REQUIREMENTS FOR ALL SERIES Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 3,525,000	$ 1,791,773	$ 5,316,773
2027	3,550,000	1,766,580	5,316,580
2028	3,585,000	1,667,808	5,252,808
2029	3,640,000	1,565,329	5,205,329
2030	3,670,000	1,460,433	5,130,433
2031	3,520,000	1,352,598	4,872,598
2032	3,565,000	1,244,688	4,809,688
2033	3,225,000	1,140,859	4,365,859
2034	2,990,000	1,049,857	4,039,857
2035	3,005,000	960,651	3,965,651
2036	3,060,000	868,981	3,928,981
2037	3,015,000	775,362	3,790,362
2038	2,795,000	685,150	3,480,150
2039	2,790,000	598,120	3,388,120
2040	2,905,000	509,613	3,414,613
2041	2,810,000	416,678	3,226,678
2042	2,810,000	323,952	3,133,952
2043	2,810,000	230,949	3,040,949
2044	1,735,000	157,312	1,892,312
2045	1,360,000	108,775	1,468,775
2046	1,360,000	64,825	1,424,825
2047	860,000	26,543	886,543
	$ 62,585,000	$ 18,766,836	$ 81,351,836

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
CHANGES 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. 143 Unlimited Tax Park Bonds - Series 2013B	$ 455,000	$ 255,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2014	4,305,000	2,515,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2015	2,690,000	1,770,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2016	3,515,000	2,505,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2017	13,500,000	10,350,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2017A	3,430,000	2,680,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2018	7,980,000	6,605,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Park Bonds - Series 2019	1,545,000	1,295,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2020	8,315,000	7,315,000

See accompanying independent auditor’s report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	June 30, 2025	Paying Agent
$	$ 20,000	$ 8,300	$ 235,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	265,000	95,300	2,250,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	115,000	56,875	1,655,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	245,000	73,012	2,260,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	525,000	337,282	9,825,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	190,000	80,187	2,490,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	275,000	219,097	6,330,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	50,000	47,769	1,245,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	350,000	175,650	6,965,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
CHANGES 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. 143 Unlimited Tax Refunding Bonds - Series 2020A	$ 2,450,000	$ 1,765,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2020B	11,960,000	10,960,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2021	5,930,000	5,505,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2023	3,675,000	3,675,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2025	8,545,000	
TOTAL	$ 78,295,000	$ 57,195,000

Bond Authority:	Utility Bonds	Refunding Bonds	Park Bonds
Amount Authorized by Voters	$ 109,915,000	$ 31,000,000	$ 2,000,000
Amount Issued	(80,930,000)	(895,000)	(2,000,000)
Remaining to be Issued	$ 28,985,000	$ 30,105,000	$ - 0 -

Debt Service Fund cash and investment balances as of June 30, 2025:	$ 6,549,961
Average annual debt service payment for remaining term of all bond debt:	$ 3,697,811

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	June 30, 2025	Paying Agent
$	$ 235,000	$ 35,300	$ 1,530,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	500,000	211,644	10,460,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	225,000	116,912	5,280,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	160,000	124,600	3,515,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
8,545,000			8,545,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
$ 8,545,000	$ 3,155,000	$ 1,581,928	$ 62,585,000	

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 4,949,219	$ 4,477,695	$ 3,452,860
Water Service	735,057	777,700	722,230
Wastewater Service	1,125,800	1,042,015	1,024,618
Fire Protection Service	553,795	527,298	498,231
Water Authority Fees	1,515,779	1,639,377	1,460,667
Penalty and Interest	100,042	92,599	87,031
Connection and Inspection Fees	451,663	266,463	301,238
Sales Tax Revenues	435,999	400,332	349,899
Investment and Miscellaneous Revenues	458,482	409,018	274,980
TOTAL REVENUES	$ 10,325,836	$ 9,632,497	$ 8,171,754
EXPENDITURES			
Professional Fees	$ 453,298	$ 388,665	$ 332,368
Contracted Services	940,488	808,642	745,150
Purchased Water Service	920,300	1,283,478	1,029,726
Purchased Wastewater Service	328,143	409,434	180,498
Detention Facilities Costs	32,799	29,359	87,800
Fire Protection Service	516,885	496,011	467,634
Water Authority Fees - McCrary Meadows	687,382	726,207	655,064
HOA Maintenance Costs	738,332	693,842	640,500
Other	867,543	847,415	680,917
Repairs, Maintenance, Capital Outlay	2,674,941	2,715,539	2,258,719
TOTAL EXPENDITURES	$ 8,160,111	$ 8,398,592	$ 7,078,376
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,165,725	$ 1,233,905	$ 1,093,378
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	$ 317,908	$ (276,671)	$ 423,124
NET CHANGE IN FUND BALANCE	$ 2,483,633	$ 957,234	$ 1,516,502
BEGINNING FUND BALANCE	8,918,769	7,961,535	6,445,033
ENDING FUND BALANCE	$ 11,402,402	$ 8,918,769	$ 7,961,535

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 2,005,248	$ 1,790,256	47.9 %	46.4 %	42.2 %	33.0 %	32.3 %
660,817	563,379	7.1	8.1	8.8	10.9	10.2
970,559	836,482	10.9	10.8	12.5	15.9	15.1
441,085	340,647	5.4	5.5	6.1	7.2	6.2
1,067,498	922,384	14.7	17.0	17.9	17.5	16.7
65,760	47,433	1.0	1.0	1.1	1.1	0.9
466,256	654,483	4.4	2.8	3.7	7.7	11.8
329,411	303,174	4.2	4.2	4.3	5.4	5.5
79,657	72,699	4.4	4.2	3.4	1.3	1.3
$ 6,086,291	$ 5,530,937	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 328,662	$ 445,517	4.4 %	4.0 %	4.1 %	5.4 %	8.1 %
616,791	489,946	9.1	8.4	9.1	10.1	8.9
767,929	675,290	8.9	13.3	12.6	12.6	12.2
294,515	170,179	3.2	4.3	2.2	4.8	3.1
34,980	48,428	0.3	0.3	1.1	0.6	0.9
411,422	312,033	5.0	5.1	5.7	6.8	5.6
550,707	318,329	6.7	7.5	8.0	9.0	5.8
595,350	507,656	7.2	7.2	7.8	9.8	9.2
695,118	572,160	8.4	8.8	8.3	11.4	10.3
488,961	929,542	25.9	28.2	27.6	8.0	16.8
$ 4,784,435	$ 4,469,080	79.1 %	87.1 %	86.5 %	78.5 %	80.9 %
$ 1,301,856	$ 1,061,857	20.9 %	12.9 %	13.5 %	21.5 %	19.1 %
$ 381,418	$ 85,000					
$ 1,683,274	$ 1,146,857					
4,761,759	3,614,902					
$ 6,445,033	$ 4,761,759					

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 5,142,626	$ 4,906,560	$ 4,820,819
Penalty and Interest	52,988	47,804	29,559
Investment and Miscellaneous Revenues	209,031	213,653	137,150
TOTAL REVENUES	$ 5,404,645	$ 5,168,017	$ 4,987,528
EXPENDITURES			
Tax Collection/Bond Issuance Costs	$ 176,024	$ 122,195	$ 116,926
Debt Service Principal	3,155,000	2,970,000	2,895,000
Debt Service Interest and Fees	1,592,653	1,683,950	1,636,200
TOTAL EXPENDITURES	$ 4,923,677	$ 4,776,145	$ 4,648,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 480,968	$ 391,872	$ 339,402
OTHER FINANCING SOURCES (USES)			
Payment to Refunded Bond Escrow Agent	$	$	$
Bond Premium			
Proceeds from Issuance of Long-Term Debt			
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 480,968	$ 391,872	$ 339,402
BEGINNING FUND BALANCE	5,933,160	5,541,288	5,201,886
ENDING FUND BALANCE	$ 6,414,128	$ 5,933,160	$ 5,541,288
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,557	2,465	2,446
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,452	2,363	2,348

See accompanying independent auditor's report.

2022	2021	Percentage of Total Revenues 2025		2024		2023		2022		2021	
$ 4,454,742	$ 3,864,891	95.1	%	95.0	%	96.7	%	98.6	%	98.9	%
54,646	34,558	1.0		0.9		0.6		1.2		0.9	
11,102	7,214	3.9		4.1		2.7		0.2		0.2	
$ 4,520,490	$ 3,906,663	100.0	%	100.0	%	100.0	%	100.0	%	100.0	%
$ 135,425	$ 318,901	3.3	%	2.4	%	2.3	%	3.0	%	8.2	%
2,295,000	1,795,000	58.4		57.5		58.0		50.8		45.9	
1,638,315	1,483,714	29.5		32.6		32.8		36.2		38.0	
$ 4,068,740	$ 3,597,615	91.2	%	92.5	%	93.1	%	90.0	%	92.1	%
$ 451,750	$ 309,048	8.8	%	7.5	%	6.9	%	10.0	%	7.9	%
$	$ (2,362,876)										
	49,557										
	2,450,000										
$ - 0 -	$ 136,681										
$ 451,750	$ 445,729										
4,750,136	4,304,407										
$ 5,201,886	$ 4,750,136										
2,389	2,195										
2,321	2,116										

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

District Mailing Address	-	Fort Bend County Municipal Utility District No. 143 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District Telephone Number	-	(713) 860-6400

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
Aaron McCubbin	05/2024 05/2028 (Elected)	$ 5,746	$ 3,640	President
Michael Coulter	05/2024 05/2028 (Elected)	$ 5,083	$ 3,151	Vice President
Tyrone Howard	05/2022 05/2026 (Elected)	$ 2,431	$ 151	Secretary
Kenny Diaz	04/2023 05/2026 (Appointed)	$ 2,652	$ 50	Assist. VP/ Assist. Sec.
Austin Woo	06/2025 05/2028 (Appointed)	$ -0-	$ -0-	Assist. VP/ Assist. Sec.
Andrew Tiffany (Resigned 06/2025)	05/2024 05/2028 (Elected)	$ 2,873	$ 813	Former Assist. VP/ Assist. Sec.

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

The most recent submission date of the District Registration Form was on June 30, 2025.

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution on February 2, 2004. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Consultants:	Date Hired	Fees/Compensation for the year ended June 30, 2025	Title
Allen Boone Humphries Robinson LLP	01/15/04	$ 203,375	General Counsel
		$ 219,446	Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	11/12/04	$ 25,500	Auditor
		$ 16,500	Bond Related
Municipal Accounts & Consulting, LP	05/05/18	$ 93,760	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/05/04	$ 17,957	Delinquent Tax Attorney
Quiddity Engineering LLC	01/05/04	$ 443,883	Engineer
Masterson Advisors LLC	04/30/18	$ 159,769	Financial Advisor
Mark Burton		$ -0-	Investment Officer
Inframark, LLC	05/07/12	$ 1,573,512	Operator
Tax Tech, Inc.	04/05/04	$ 55,956	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY

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