

OFFICIAL STATEMENT DATED AUGUST 10, 2026

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, THE BONDS ARE VALID OBLIGATIONS OF THE DISTRICT (HEREIN DEFINED), AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES SEE “LEGAL MATTERS” and “TAX MATTERS” HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CERTAIN CORPORATIONS.

The District has not designated the Bonds as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS – Not Qualified Tax-Exempt Obligations.”

NEW ISSUE – Book-Entry-Only

Moody’s Investors Service, Inc. (Underlying)..... “Baa1”  
S&P Global Ratings (BAM Insured) ..... “AA”  
See “MUNICIPAL BOND INSURANCE” and “RATINGS.”

FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 3A

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

**\$25,000,000**  
**Unlimited Tax Bonds**  
**Series 2026**

**\$15,380,000**  
**Unlimited Tax Road Bonds**  
**Series 2026**

**Dated: September 1, 2026**

**Interest Accrues from: Date of Delivery**

**Due: September 1, as shown on the inside cover**

The \$25,000,000 Unlimited Tax Bonds, Series 2026 (the “Utility Bonds”) and the \$15,380,000 Unlimited Tax Road Bonds, Series 2026 (the “Road Bonds,” and together with the Utility Bonds, collectively referred to as the “Bonds”), are obligations of Fulshear Municipal Utility District No. 3A (the “District”) and are not obligations of the State of Texas (“Texas”); Fort Bend County, Texas; Waller County, Texas; the City of Fulshear, Texas (the “City”); or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Fort Bend County, Texas; Waller County, Texas; the City; nor any entity other than the District is pledged to the payment of principal of or interest on the Bonds.

The Bonds are dated September 1, 2026, and will accrue interest from the date of delivery, which is expected to be on or about September 16, 2026 (the “Date of Delivery”), with interest payable on March 1, 2027, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption and will be calculated on the basis of a 360-day year composed of 12, 30-day months. The Bonds will be issued in fully registered form only, without coupons, in principal denominations of \$5,000 or any integral multiple thereof, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, (“DTC”), acting as securities depository for the Bonds until The DTC resigns or is discharged. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The District has designated BOKF, NA, Dallas, Texas, as the initial paying agent/registrar for the Bonds (the “Paying Agent/Registrar”).

See “MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS” on the inside cover.

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



The Utility Bonds represent the ninth series of unlimited tax bonds issued by the District from a total of \$164,300,000 principal amount of unlimited tax bonds authorized by voters of the District for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system to serve the District, and the Road Bonds represent the ninth series of unlimited tax road bonds issued by the District from a total of \$87,900,000 principal amount of unlimited tax road bonds authorized by voters of the District for the purpose of constructing or acquiring a road system to serve the District. See “THE BONDS – Authority for Issuance.”

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of two (2) separate annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District. See “THE BONDS – Source of Payment.”

The Bonds are subject to certain investment considerations described herein. Prospective purchasers of the Bonds should review this entire Official Statement, including particularly the section titled “INVESTMENT CONSIDERATIONS” before making an investment decision.

The Bonds are offered, when, as and if issued by the District, subject, among other things to the approval of the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C. (“Bond Counsel”). Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP (“Disclosure Counsel”). Delivery of the Bonds is expected through the facilities of DTC on or about September 16, 2026.

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

## \$25,000,000 Unlimited Tax Bonds, Series 2026

| Maturity<br>(September 1) | Principal<br>Amount | Interest<br>Rate | Initial<br>Reoffering<br>Yield (a) | CUSIP No.<br>35986C (b) | Maturity<br>(September 1) | Principal<br>Amount | Interest<br>Rate | Initial<br>Reoffering<br>Yield (a) | CUSIP No.<br>35986C (b) |
|---------------------------|---------------------|------------------|------------------------------------|-------------------------|---------------------------|---------------------|------------------|------------------------------------|-------------------------|
| 2027                      | \$ 540,000          | 6.500%           | 2.900%                             | SQ1                     | 2040 (c)                  | \$ 995,000          | 4.250%           | 4.300%                             | TD9                     |
| 2028                      | 585,000             | 6.500%           | 3.000%                             | SR9                     | 2041 (c)                  | 1,040,000           | 4.375%           | 4.400%                             | TE7                     |
| 2029                      | 615,000             | 6.500%           | 3.100%                             | SS7                     | 2042 (c)                  | 1,085,000           | 4.375%           | 4.450%                             | TF4                     |
| 2030                      | 640,000             | 6.500%           | 3.200%                             | ST5                     | 2043 (c)                  | 1,135,000           | 4.375%           | 4.500%                             | TG2                     |
| 2031                      | 670,000             | 6.500%           | 3.300%                             | SU2                     | 2044 (c)                  | 1,185,000           | 4.375%           | 4.550%                             | TH0                     |
| 2032 (c)                  | 700,000             | 6.500%           | 3.400%                             | SV0                     | 2045 (c)                  | 1,240,000           | 4.375%           | 4.600%                             | TJ6                     |
| 2033 (c)                  | 730,000             | 6.500%           | 3.500%                             | SW8                     | 2046 (c)                  | 1,295,000           | 4.375%           | 4.650%                             | TK3                     |
| 2034 (c)                  | 765,000             | 4.000%           | 3.700%                             | SX6                     | 2047 (c)                  | 1,355,000           | 4.375%           | 4.700%                             | TL1                     |
| 2035 (c)                  | 800,000             | 4.000%           | 3.800%                             | SY4                     | 2048 (c)                  | 1,415,000           | 4.375%           | 4.720%                             | TM9                     |
| 2036 (c)                  | 835,000             | 4.000%           | 3.900%                             | SZ1                     | 2049 (c)                  | 1,480,000           | 4.500%           | 4.730%                             | TN7                     |
| 2037 (c)                  | 870,000             | 4.000%           | 4.000%                             | TA5                     | 2050 (c)                  | 1,545,000           | 4.500%           | 4.740%                             | TP2                     |
| 2038 (c)                  | 910,000             | 4.000%           | 4.100%                             | TB3                     | 2051 (c)                  | 1,615,000           | 4.500%           | 4.750%                             | TQ0                     |
| 2039 (c)                  | 955,000             | 4.125%           | 4.200%                             | TC1                     |                           |                     |                  |                                    |                         |

## \$15,380,000 Unlimited Tax Road Bonds, Series 2026

| Maturity<br>(September 1) | Principal<br>Amount | Interest<br>Rate | Initial<br>Reoffering<br>Yield (a) | CUSIP No.<br>35986C (b) | Maturity<br>(September 1) | Principal<br>Amount | Interest<br>Rate | Initial<br>Reoffering<br>Yield (a) | CUSIP No.<br>35986C (b) |
|---------------------------|---------------------|------------------|------------------------------------|-------------------------|---------------------------|---------------------|------------------|------------------------------------|-------------------------|
| 2027                      | \$ 330,000          | 6.500%           | 2.900%                             | TR8                     | 2040 (c)                  | \$ 610,000          | 4.250%           | 4.300%                             | UE5                     |
| 2028                      | 360,000             | 6.500%           | 3.000%                             | TS6                     | 2041 (c)                  | 640,000             | 4.375%           | 4.400%                             | UF2                     |
| 2029                      | 380,000             | 6.500%           | 3.100%                             | TT4                     | 2042 (c)                  | 670,000             | 4.375%           | 4.450%                             | UG0                     |
| 2030                      | 395,000             | 6.500%           | 3.200%                             | TU1                     | 2043 (c)                  | 700,000             | 4.375%           | 4.500%                             | UH8                     |
| 2031                      | 410,000             | 6.500%           | 3.300%                             | TV9                     | 2044 (c)                  | 730,000             | 4.375%           | 4.550%                             | UJ4                     |
| 2032 (c)                  | 430,000             | 6.500%           | 3.400%                             | TW7                     | 2045 (c)                  | 765,000             | 4.375%           | 4.600%                             | UK1                     |
| 2033 (c)                  | 450,000             | 6.500%           | 3.500%                             | TX5                     | 2046 (c)                  | 795,000             | 4.375%           | 4.650%                             | UL9                     |
| 2034 (c)                  | 470,000             | 4.000%           | 3.700%                             | TY3                     | 2047 (c)                  | 835,000             | 4.375%           | 4.700%                             | UM7                     |
| 2035 (c)                  | 490,000             | 4.000%           | 3.800%                             | TZ0                     | 2048 (c)                  | 870,000             | 4.375%           | 4.720%                             | UN5                     |
| 2036 (c)                  | 515,000             | 4.000%           | 3.900%                             | UA3                     | 2049 (c)                  | 910,000             | 4.500%           | 4.730%                             | UP0                     |
| 2037 (c)                  | 535,000             | 4.000%           | 4.000%                             | UB1                     | 2050 (c)                  | 950,000             | 4.500%           | 4.740%                             | UQ8                     |
| 2038 (c)                  | 560,000             | 4.000%           | 4.100%                             | UC9                     | 2051 (c)                  | 995,000             | 4.500%           | 4.750%                             | UR6                     |
| 2039 (c)                  | 585,000             | 4.125%           | 4.200%                             | UD7                     |                           |                     |                  |                                    |                         |

- (a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchasers. Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first optional redemption date.
- (b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association, and are included solely for the convenience of the owners of the Bonds. None of the District, the Financial Advisor (herein defined), or the Initial Purchasers shall be responsible for the selection or correctness of the CUSIP numbers.
- (c) The Bonds maturing on and after September 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2031, or any date thereafter, at a price equal to the principal thereof plus accrued interest to the date fixed for redemption.

## **USE OF INFORMATION IN OFFICIAL STATEMENT**

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

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

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 Bond Counsel (herein defined) for further information.

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

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

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

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## **SALE AND DISTRIBUTION OF THE BONDS**

### **Award and Marketing of the Bonds**

After requesting competitive bids for the Utility Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by Northland Securities, Inc. (the "Utility Bond Initial Purchaser") to purchase the Utility Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" at a price of 97.500000% of the par value thereof, which resulted in a net effective interest rate of 4.625651%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

After requesting competitive bids for the Road Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by Northland Securities, Inc. (the "Road Bond Initial Purchaser") to purchase the Road Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" at a price of 97.500000% of the par value thereof, which resulted in a net effective interest rate of 4.625666%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

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

### **Prices and Marketability**

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

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

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

### **Securities Laws**

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

## **MUNICIPAL BOND INSURANCE**

### **Bond Insurance Policy**

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

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

### **Build America Mutual Assurance Company**

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

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

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

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

### *Capitalization of BAM*

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$493.3 million, \$277.6 million, and \$215.7 million, respectively.

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

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

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

#### *Additional Information Available from BAM*

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

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

*Disclaimers:* The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content. BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

#### **RATINGS**

The Bonds are expected to receive an insured rating of "AA" (stable outlook) from S&P solely in reliance upon the issuance and delivery of the Policy by BAM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given.

Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

Moody's Investors Service, Inc. ("Moody's") has assigned an underlying credit rating of "Baa1" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. A security rating is not a recommendation to buy, sell, or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings discussed above.

## OFFICIAL STATEMENT SUMMARY

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

### THE BONDS

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The District.....             | Fulshear Municipal Utility District No. 3A (the “District”), a political subdivision of the State of Texas (“Texas”), is located in Fort Bend County, Texas, and Waller County, Texas. See “THE DISTRICT.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| The Bonds.....                | <p>The District’s \$25,000,000 Unlimited Tax Bonds, Series 2026 (the “Utility Bonds”) are dated September 1, 2026, and mature on September 1 in the years and in the principal amounts as shown on the inside cover. The District’s \$15,380,000 Unlimited Tax Road Bonds, Series 2026 (the “Road Bonds,” and together with the Utility Bonds, collectively referred to as the “Bonds”) are also dated September 1, 2026, and mature on September 1 in the years and in the principal amounts as shown on the inside cover.</p> <p>The Bonds are dated September 1, 2026, and will accrue interest from the date of delivery, which is expected to be on or about September 16, 2026 (the “Date of Delivery”), with interest payable on March 1, 2027, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”). See “THE BONDS.”</p> |
| Redemption of the Bonds ..... | The Bonds maturing on and after September 1, 2032, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2031, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See “THE BONDS – Redemption of the Bonds.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Book-Entry-Only System.....   | The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, pursuant to the Book-Entry-Only System (herein defined). Beneficial ownership of the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of The Depository Trust Company for subsequent payment to the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry-Only System.”                                                                                                         |
| Source of Payment .....       | Principal of and interest on the Bonds are payable from the proceeds of two (2) separate annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of Texas; Fort Bend County, Texas; Waller County, Texas; the City of Fulshear, Texas (the “City”); or any political subdivision or entity other than the District. See “THE BONDS – Source of Payment.”                                                                                                                                                                                                                                                                                                                                       |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment Record.....         | The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness. See “THE BONDS – Payment Record” and “THE BONDS – Source of Payment.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Authority for Issuance..... | <p>The Utility Bonds are issued pursuant to (i) an order of the Texas Commission on Environmental Quality (the “TCEQ”); (ii) an order adopted by the Board of Directors of the District (the “Board”) on the date of the sale of the Utility Bonds (the “Utility Bond Order”); (iii) the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code; (iv) Senate Bill 1910, 83<sup>rd</sup> Texas Legislature, Regular Session, codified at Chapter 8487, Texas Special District Local Laws Code, effective September 1, 2013 (the “Act”); (v) Article XVI, Section 59, of the Texas Constitution; and (vi) an election held within the District on November 3, 2015.</p> <p>The Road Bonds are issued pursuant to (i) an order adopted by the Board on the date of the sale of the Road Bonds (the “Road Bond Order”); (ii) the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code; (iii) the Act; (iv) Article III, Section 52, of the Texas Constitution; and (v) an election held within the District on November 3, 2015. See “THE BONDS – Authority for Issuance.”</p>                                                                                                                                                        |
| Voted Authorization.....    | At an election held within the District on November 3, 2015, voters of the District authorized the issuance of a total of \$164,300,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system to serve the District (the “Utility System”), a total of \$87,900,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system to serve the District (the “Road System”), and a total of \$38,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District. At the same election, voters of the District authorized bonds for the purpose of refunding such bonds. Additional amounts may be authorized. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$53,530,000 for the purpose of constructing or acquiring the Utility System; \$0 for the purpose of constructing or acquiring the Road System; and \$38,000,000 for the purpose of constructing or acquiring parks and recreational facilities to serve the District. See “THE BONDS – Issuance of Additional Debt.” |
| Outstanding Bonds .....     | The following bonds have been previously issued by the District for the purpose of constructing or acquiring the Utility System: \$4,860,000 Unlimited Tax Utility Bonds, Series 2018; \$5,670,000 Unlimited Tax Bonds, Series 2019; \$5,180,000 Unlimited Tax Bonds, Series 2020; \$7,355,000 Unlimited Tax Bonds, Series 2021; \$11,730,000 Unlimited Tax Bonds, Series 2022; \$16,275,000 Unlimited Tax Bonds, Series 2023; \$12,025,000 Unlimited Tax Bonds, Series 2024; and \$22,675,000 Unlimited Tax Bonds, Series 2025. Of such bonds, \$78,540,000 principal amount will remain outstanding as of the Date of Delivery (the “Outstanding Utility Bonds”). The following bonds have been previously issued by the District for the purpose of constructing or acquiring the Road System: \$1,600,000 Unlimited Tax Road Bonds, Series 2018; \$2,830,000 Unlimited Tax Road Bonds, Series 2019; \$2,575,000 Unlimited Tax Road Bonds, Series 2020; \$1,490,000 Unlimited Tax Road Bonds, Series 2021; \$13,650,000 Unlimited Tax Road Bonds,                                                                                                                                                                                                                          |

Series 2022; \$21,225,000 Unlimited Tax Road Bonds, Series 2023; \$20,000,000 Unlimited Tax Road Bonds, Series 2024; and \$9,150,000 Unlimited Tax Road Bonds, Series 2025. Of such bonds, \$67,260,000 principal amount will remain outstanding as of the Date of Delivery (the “Outstanding Road Bonds,” and together with the Outstanding Utility Bonds, the “Outstanding Bonds”). The District has never issued bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District. See “THE BONDS – Outstanding Bonds.”

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short-Term Debt.....                       | The District issued its \$13,790,000 Bond Anticipation Note, Series 2025 (the “BAN”), dated December 16, 2025. The BAN matures on December 15, 2026, and accrues interest at a rate of 3.880% per annum, calculated on the basis of actual days elapsed and a 365-day year. The District will use a portion of the proceeds from the sale of the Utility Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse the Developer (herein defined) for a portion of the improvements and related costs shown under “THE BONDS – Use and Distribution of Proceeds of the Utility Bonds.” See “THE BONDS – Short-Term Debt.”                                                                               |
| Use of Proceeds of the Utility Bonds.....  | Proceeds of the sale of the Utility Bonds will be used by the District to redeem the BAN, the proceeds of which were used to reimburse the Developer for a portion of the improvements and related costs shown under “THE BONDS – Use and Distribution of Proceeds of the Utility Bonds.” Additionally, proceeds from the sale of the Utility Bonds will also be used to reimburse the Developer for the improvements and related costs that were not reimbursed by the BAN and to pay: six (6) months of capitalized interest; developer interest; BAN interest; developer advances; and other certain costs associated with the issuance of the Utility Bonds. See “THE BONDS – Use and Distribution of Proceeds of the Utility Bonds.” |
| Use of Proceeds of the Road Bonds.....     | Proceeds from the Road Bonds will be used to reimburse the Developer for the improvements and related costs shown under “THE BONDS – Use and Distribution of Proceeds of the Road Bonds.” Additionally, proceeds from the sale of the Road Bonds will be used to pay developer interest; and other certain costs associated with the issuance of the Road Bonds. See “THE BONDS – Use and Distribution of Proceeds of the Road Bonds.”                                                                                                                                                                                                                                                                                                    |
| Not Qualified Tax-Exempt Obligations ..... | The District has not designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS – Not Qualified Tax-Exempt Obligations.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Municipal Bond Insurance .....             | Build America Mutual Assurance Company (“BAM”). See “MUNICIPAL BOND INSURANCE.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ratings .....                              | S&P Global Ratings (BAM Insured): “AA”. Moody’s has assigned an underlying rating of “Baa1” to the Bonds. See “RATINGS.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Bond Counsel .....                         | Coats Rose P.C., Houston, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Disclosure Counsel .....                   | Orrick, Herrington & Sutcliffe LLP, Houston, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Financial Advisor.....                     | Cedar Creek Municipal Advisors, LLC, Houston, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Engineer .....                             | IDS Engineering Group, Inc., Houston, Texas.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## THE DISTRICT

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description.....                 | The District was created by an order dated August 21, 2015, that, pursuant to the Act, divided Fulshear Municipal Utility District No. 3 into two (2) distinct municipal utility districts: the District and Fulshear Municipal Utility District No. 3B ("Fulshear MUD 3B"). Upon its creation, the District was made up of approximately 493.86 total acres, and, due to four (4) subsequent annexations, the District now encompasses approximately 1,358.44 total acres. See "THE DISTRICT."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Location.....                    | The District is situated primarily within Fort Bend County, Texas, although a portion of the District (approximately 79 acres) is within Waller County, Texas. The District is located approximately 33 miles west of the City of Houston, Texas; approximately four (4) miles west of the City of Katy, Texas; approximately four (4) miles north of the City; and approximately one (1) mile south of the intersection of Interstate Highway 10 and Jordan Ranch Boulevard. See "THE DISTRICT – Description."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Jordan Ranch.....                | The District is part of the master-planned community known as "Jordan Ranch." Jordan Ranch is located one (1) mile south of Interstate Highway 10 and includes a number of amenities for its residents such as: a community clubhouse; a resort-style pool with lazy river and kids' splash pad; a fitness center; a picnic area; playgrounds; hike and bike trails; and open spaces throughout the community. Jordan Ranch is made up of approximately 1,369.78 total acres, of which approximately 1,358.44 acres are located in the District. See "THE DISTRICT – Jordan Ranch."                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Development in the District..... | To date, a total of approximately 3,011 single-family lots have been developed within the District as the following subdivisions: Jordan Ranch, Sections 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 and Jordan Ranch Model Home Park. Said subdivisions encompass approximately 935.67 acres within the District (including some drill site and detention acreage). As of June 30, 2026, the District included approximately 2,619 completed homes (approximately 2,566 occupied, approximately 37 unoccupied, and approximately 16 model homes), approximately 121 homes under construction (approximately 36 of which being under contract for sale to homebuyers), approximately 271 vacant developed lots. Additionally, approximately 129.44 acres have been developed for commercial use (in various stages of development), which consists of a church, fire station, elementary school, and retail/industrial/multi-family development. The remaining land within the District includes approximately 29.45 undeveloped but developable acres and approximately 263.87 undevelopable acres. See "DEVELOPMENT WITHIN THE DISTRICT – Current Status." |
| The Developer.....               | Fort Bend Jordan Ranch LP, a Texas limited partnership (the "Developer"), an affiliate of Johnson Development Corp. ("JDC"), the developer of land in the District, is the entity through which development operations are managed. JDC is a leading land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

Texas, JDC is responsible for the development of several master-planned communities, including: Riverstone; Sienna; Cross Creek Ranch; Harvest Green; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Willow Creek Farms; Trinity Falls; and Viridian (this is not an exhaustive list). See "THE DEVELOPER."

Homebuilders in the District.....The following homebuilders are actively constructing new homes in the District: Beazer Homes; David Weekley Homes; Highland Homes; J. Patrick Homes; Lennar Homes; Perry Homes; Westin Homes; and Chesmar Homes. New homes in the District range in price from approximately \$300,000 to over \$1,200,000 and in size from approximately 1,500 square feet to over 5,380 square feet. See "DEVELOPMENT WITHIN THE DISTRICT – Homebuilders in the District."

### **INVESTMENT CONSIDERATIONS**

THE DISTRICT'S TAX IS LEVIED ONLY ON THE PROPERTY LOCATED WITHIN THE DISTRICT. THEREFORE, THE INVESTMENT SECURITY AND QUALITY OF THE BONDS IS DEPENDENT UPON THE SUCCESSFUL DEVELOPMENT OF PROPERTY LOCATED WITHIN THE DISTRICT AND THE PAYMENT AND COLLECTION OF TAXES LEVIED THEREON.

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

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## SELECTED FINANCIAL INFORMATION

### (UNAUDITED)

|                                                                              |                  |     |
|------------------------------------------------------------------------------|------------------|-----|
| 2026 Assessed Valuation .....                                                | \$ 1,397,247,725 | (a) |
| Estimated Assessed Valuation as of June 1, 2026 .....                        | \$ 1,625,828,784 | (b) |
| Direct Debt:                                                                 |                  |     |
| The Outstanding Bonds (as of the Delivery of the Bonds) .....                | \$ 145,800,000   |     |
| The Utility Bonds .....                                                      | \$ 25,000,000    |     |
| The Road Bonds .....                                                         | \$ 15,380,000    |     |
| Total .....                                                                  | \$ 186,180,000   |     |
| Estimated Overlapping Debt .....                                             | \$ 109,092,413   | (c) |
| Total Direct and Estimated Overlapping Debt .....                            | \$ 295,272,413   | (c) |
| Direct Debt Ratios:                                                          |                  |     |
| As a Percentage of the 2026 Assessed Valuation .....                         | 13.32            | %   |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 11.45            | %   |
| Direct and Estimated Overlapping Debt Ratios:                                |                  |     |
| As a Percentage of the 2026 Assessed Valuation .....                         | 21.13            | %   |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 18.16            | %   |
| Utility System Debt Service Fund Balance (as of July 13, 2026) .....         | \$ 5,231,695     | (d) |
| Road System Debt Service Fund Balance (as of July 13, 2026) .....            | \$ 4,856,262     | (e) |
| Utility System Capital Projects Fund Balance (as of July 13, 2026) .....     | \$ 1,927,445     |     |
| Road System Capital Projects Fund Balance (as of July 13, 2026) .....        | \$ 11,456        |     |
| General Operating Fund Balance (as of July 13, 2026) .....                   | \$ 10,813,421    |     |

- 
- (a) Represents the assessed valuation of all taxable property within the District as of January 1, 2026, provided by the Appraisal Districts (herein defined). Such amount includes \$8,779,725 of assessed valuation assigned to properties that remain under review by the Appraisal Review Boards (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Boards, upon which the District will levy its tax. See "TAX PROCEDURES" and "TAX DATA."
- (b) Provided by the Appraisal Districts for informational purposes only. This amount is an estimate of the assessed valuation of all taxable property within the District as of June 1, 2026, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2026, through June 1, 2026. No taxes will be levied against this amount. See "TAX PROCEDURES" and "TAX DATA."
- (c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."
- (d) At the delivery of the Utility Bonds, six (6) months of capitalized interest will be deposited into the Utility System Debt Service Fund (herein defined). Neither Texas law nor the Utility Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System, including the Outstanding Road Bonds and the Road Bonds.
- (e) Neither Texas law nor the Road Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund (herein defined). Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System, including the Outstanding Utility Bonds and the Utility Bonds.

## SELECTED FINANCIAL INFORMATION

### (UNAUDITED)

#### 2025 Tax Rate:

|                                   |                 |     |
|-----------------------------------|-----------------|-----|
| Utility System Debt Service ..... | \$ 0.470        | (a) |
| Road System Debt Service .....    | \$ 0.400        | (a) |
| Maintenance & Operations .....    | <u>\$ 0.250</u> |     |
| Total.....                        | \$ 1.120        |     |

#### Combined Average Annual Debt Service Requirement on the Outstanding

|                                       |               |     |
|---------------------------------------|---------------|-----|
| Bonds and the Bonds (2027-2051) ..... | \$ 11,693,813 | (b) |
|---------------------------------------|---------------|-----|

#### Combined Maximum Annual Debt Service Requirement on the Outstanding

|                                 |               |     |
|---------------------------------|---------------|-----|
| Bonds and the Bonds (2042)..... | \$ 13,108,231 | (b) |
|---------------------------------|---------------|-----|

#### Combined Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the

##### Average Annual Debt Service Requirement on the Outstanding

##### Bonds and the Bonds (2027-2051) at 95% Tax Collections:

|                                                                    |         |
|--------------------------------------------------------------------|---------|
| Based on the 2026 Assessed Valuation .....                         | \$ 0.89 |
| Based on the Estimated Assessed Valuation as of June 1, 2026 ..... | \$ 0.76 |

#### Combined Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the

##### Maximum Annual Debt Service Requirement on the Outstanding

##### Bonds and the Bonds (2042) at 95% Tax Collections:

|                                                                    |         |
|--------------------------------------------------------------------|---------|
| Based on the 2026 Assessed Valuation .....                         | \$ 0.99 |
| Based on the Estimated Assessed Valuation as of June 1, 2026 ..... | \$ 0.85 |

- 
- (a) The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the Utility System and for payment of debt service on bonds issued for the Road System; both such taxes are unlimited as to rate or amount.
- (b) Requirement of combined debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT - Debt Service Requirement Schedule."

## **FULSHEAR MUNICIPAL UTILITY DISTRICT NO. 3A**

(A political subdivision of the State of Texas located in Fort Bend County and Waller County)

**\$25,000,000**  
**Unlimited Tax Bonds**  
**Series 2026**

**\$15,380,000**  
**Unlimited Tax Road Bonds**  
**Series 2026**

### **INTRODUCTION**

This Official Statement provides certain information in connection with the issuance by Fulshear Municipal Utility District No. 3A (the "District") of its \$25,000,000 Unlimited Tax Bonds, Series 2026 (the "Utility Bonds"), and \$15,380,000 Unlimited Tax Road Bonds, Series 2026 (the "Road Bonds"). The Utility Bonds and the Road Bonds are herein collectively referred to as the "Bonds."

The Utility Bonds are issued pursuant to (i) an order of the Texas Commission on Environmental Quality (the "TCEQ"); (ii) an order adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Utility Bonds (the "Utility Bond Order"); (iii) the general laws of the State of Texas ("Texas"), including Chapters 49 and 54 of the Texas Water Code; (iv) Senate Bill 1910, 83<sup>rd</sup> Texas Legislature, Regular Session, codified at Chapter 8487, Texas Special District Local Laws Code, effective September 1, 2013 (the "Act"); (v) Article XVI, Section 59, of the Texas Constitution; and (vi) an election held within the District on November 3, 2015.

The Road Bonds are issued pursuant to (i) an order adopted by the Board on the date of the sale of the Road Bonds (the "Road Bond Order"); (ii) the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code; (iii) the Act; (iv) Article III, Section 52, of the Texas Constitution; and (v) an election held within the District on November 3, 2015.

The Utility Bond Order and the Road Bond Order are collectively referred to herein as the "Bond Orders," and unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Orders. The initial purchaser of the Utility Bonds (the "Utility Bond Initial Purchaser") and the initial purchaser of the Road Bonds (the "Road Bond Initial Purchaser") are collectively referred to herein as the "Initial Purchasers."

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Upon payment of reasonable copying, mailing and handling charges, copies of such documents may be obtained from Bond Counsel (herein defined) at 9 Greenway Plaza, Suite 1000, Houston, Texas 77046 or during the offering period from the Financial Advisor (herein defined) at 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056.

### **THE BONDS**

#### **General**

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Orders. Copies of the Bond Orders may be obtained from the District upon request and payment of the costs for duplication thereof. The Bond Orders authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds are dated September 1, 2026, and will mature on September 1 in the years and in the principal amounts as shown on the inside cover. Interest on the Bonds will accrue from the Date of Delivery (expected to be on or about September 16, 2026) (the "Date of Delivery"), with interest payable on March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until maturity or prior redemption. The Bonds will be issued as fully registered bonds in principal denominations of \$5,000 or any integral multiple thereof. Principal of the Bonds will be payable to a Bondholder (herein defined) thereof at maturity or earlier redemption upon presentation of Bonds at the principal payment office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to Bondholders as shown on the records of the Paying Agent/Registrar at the close of business on the 15<sup>th</sup> day of the calendar month next preceding each Interest Payment Date (the

“Record Date”), or by other such customary banking arrangements as may be acceptable to the Paying Agent/Registrar and the Bondholder at the expense and risk of the Bondholder.

In the event of non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (“Special Payment Date” which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

### **Book-Entry-Only System**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, (“DTC”), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the book-entry-only system for the Bonds (the “Book-Entry-Only System”) has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be required by an authorized representative of DTC. One (1) fully registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “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 (the “Indirect Participants,” and together with the Direct Participants, the “Direct and Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The holder of ownership interest of each actual purchase of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however,

expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System is discontinued.

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

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

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

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

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

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

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

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

#### **Use of Certain Terms in Other Sections of This Official Statement**

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

**Successor Paying Agent/Registrar**

Provision is made in the Bond Orders for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank; a trust company organized under the laws of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

**Registration, Transfer and Exchange**

In the event the Book-Entry-Only System is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of \$5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning 15 calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within 30 calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

**Replacement of Bonds**

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

**Authority for Issuance**

At an election held within the District on November 3, 2015, voters of the District authorized the issuance of a total of \$164,300,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system to serve the District (the "Utility System"), a total of \$87,900,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system to serve the District (the "Road System"), and a total of \$38,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District. At the same election, voters of the District authorized bonds for the purpose of refunding such bonds. Additional amounts may be authorized.

The Utility Bonds are issued pursuant to (i) an order of the TCEQ; (ii) the Utility Bond Order; (iii) the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code; (iv) the Act; (v) Article XVI, Section 59, of the Texas Constitution; and (vi) an election held within the District on November 3, 2015.

The Road Bonds are issued pursuant to (i) the Road Bond Order; (ii) the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code; (iii) the Act; (iv) Article III, Section 52, of the Texas Constitution; and (v) an election held within the District on November 3, 2015.

## **Issuance of Additional Debt**

The District may issue additional bonds necessary to provide improvements and facilities consistent with the purposes for which the District was created. The Utility Bonds represent the ninth series of unlimited tax bonds issued by the District for the purpose of constructing or acquiring the Utility System and the Road Bonds represent the ninth series of unlimited tax bonds issued by the District for the purpose of constructing or acquiring the Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$53,530,000 for the purpose of constructing or acquiring the Utility System; \$0 for the purpose of constructing or acquiring the Road System; and \$38,000,000 for the purpose of constructing or acquiring parks and recreational facilities to serve the District.

The District may also issue any additional bonds as may hereafter be approved by both the Board and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Orders. The Bond Orders impose no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds for the purpose of constructing or acquiring the Utility System or for purpose of constructing or acquiring parks and recreational facilities to serve the District, approved by the TCEQ).

According to the Developer (herein defined), following the issuance of the Bonds, the District will owe the Developer approximately \$41,500,000 for its expenditures advanced to date for the development of the District.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed fire protection plan; (b) approval of the fire plan by the TCEQ; (c) approval of the fire plan by the voters of the District; and (d) approval of bonds, if any, by the Attorney General of Texas. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt-property ratios and might adversely affect the investment security of the Bonds.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park bond application for the issuance of bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. The District has not considered the preparation of a parks bond application at this time. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to 1% of the value of the taxable property in the District at the time of issuance.

## **Outstanding Bonds**

The following bonds have been previously issued by the District for the purpose of constructing or acquiring the Utility System: \$4,860,000 Unlimited Tax Utility Bonds, Series 2018; \$5,670,000 Unlimited Tax Bonds, Series 2019; \$5,180,000 Unlimited Tax Bonds, Series 2020; \$7,355,000 Unlimited Tax Bonds, Series 2021; \$11,730,000 Unlimited Tax Bonds, Series 2022; \$16,275,000 Unlimited Tax Bonds, Series 2023; \$12,025,000 Unlimited Tax Bonds, Series 2024; and \$22,675,000 Unlimited Tax Bonds, Series 2025. Of such bonds, \$78,540,000 principal amount will remain outstanding as of the Date of Delivery (the "Outstanding Utility Bonds"). The following bonds have been previously issued by the District for the purpose of constructing or acquiring the Road System: \$1,600,000 Unlimited Tax Road Bonds, Series 2018; \$2,830,000 Unlimited Tax Road Bonds, Series 2019; \$2,575,000 Unlimited Tax Road Bonds, Series 2020; \$1,490,000 Unlimited Tax Road Bonds, Series 2021; \$13,650,000 Unlimited Tax Road Bonds, Series 2022; \$21,225,000 Unlimited Tax Road Bonds, Series 2023; \$20,000,000 Unlimited Tax Road Bonds, Series 2024; and \$9,150,000 Unlimited Tax Road Bonds, Series 2025. Of such bonds, \$67,260,000 principal amount will remain outstanding as of the Date of Delivery (the "Outstanding Road Bonds," and together with the Outstanding Utility Bonds, the "Outstanding Bonds"). The District has never issued bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District.

## **Short-Term Debt**

The District issued its \$13,790,000 Bond Anticipation Note, Series 2025 (the "BAN"), dated December 16, 2025. The BAN matures on December 15, 2026, and accrues interest at a rate of 3.880% per annum, calculated on the basis of actual days elapsed and a 365-day year. The District will use a portion of the proceeds from the sale of

the Utility Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse the Developer for a portion of the improvements and related costs shown under "THE BONDS – Use and Distribution of Proceeds of the Utility Bonds."

### **Payment Record**

The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness. See "THE BONDS – Source of Payment."

### **Source of Payment**

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and the interest thereon, and such additional tax bonds of the District as may hereafter be authorized by District voters, if any, and subsequently issued, are payable from and secured by the proceeds of two (2) separate annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property located within the District. See "TAX PROCEDURES" and "TAX DATA – Tax Rate Calculations" for tax adequacy, manner of assessing and collecting taxes, and the remedy to the District in the event of tax delinquencies; and "Bondholders' Remedies" below for the remedies available to Bondholders in the event of default in the performance of any of the covenants set forth in the Bond Orders or in the event of default in the payment of principal of or interest on the Bonds.

The Bonds are obligations solely of the District and are not obligations of Texas; Fort Bend County, Texas; Waller County, Texas; the City of Fulshear, Texas (the "City"); or any political subdivision other than the District.

The District previously confirmed its debt service fund for payment of debt service on the bonds for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds and any other bonds issued by the District for the purpose of acquiring or constructing the Utility System, or for the purpose of refunding such bonds (the "Utility System Debt Service Fund"). The Utility System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the bonds issued by the District for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds and any additional bonds issued by the District for the Utility System, is to be kept separate from all other funds of the District and is to be used only for payment of such bonds. Amounts on deposit in the Utility System Debt Service Fund may also be used for the following, to the extent applicable to the bonds issued by the District for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds and any additional bonds issued by the District for the Utility System: to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of principal of and interest on bonds, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Upon closing of the Utility Bonds, six (6) months of capitalized interest will be deposited into the Utility System Debt Service Fund. The proceeds from all taxes levied and collected for payment of debt service on bonds issued by the District for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds and any other bonds issued by the District for the purpose of acquiring or constructing the Utility System will also be deposited into the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are available only to pay debt service on the bonds issued by the District for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds and any additional bonds issued by the District for the Utility System and are not available to pay debt service on the bonds issued by the District for the Road System, including the Outstanding Road Bonds, the Road Bonds, or any additional bonds issued by the District for the Road System.

The District previously confirmed its debt service fund for payment of debt service on the bonds for the Road System, including the Outstanding Road Bonds, the Road Bonds and any other bonds issued by the District for the purpose of acquiring or constructing the Road System, or for the purpose of refunding such bonds (the "Road System Debt Service Fund"). The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the bonds issued by the District for the Road System, including the Outstanding Road Bonds, the Road Bonds and any additional bonds issued by the District for the Road System, is to be kept separate from all other funds of the District and is to be used only for payment of such bonds. Amounts on deposit in the Road System Debt Service Fund may also be used for the following, to the extent applicable to the bonds issued by the District for the Road System, including the Outstanding Road Bonds, the Road Bonds and any additional bonds issued by the District for the Road System: to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of principal of and interest on bonds, and to pay any tax anticipation notes issued, together with interest thereon, as such tax

anticipation notes become due. Funds in the Road System Debt Service Fund are not available to pay debt service on the bonds issued by the District for the Utility System, including the Outstanding Utility Bonds, the Utility Bonds, or any additional bonds issued by the District for the Utility System.

### **Redemption of the Bonds**

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or in part, on September 1, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least 30 days prior to the redemption date by sending such notice by first class mail to the Bondholder of each Bond to be redeemed in whole or in part at the address shown on the bond register. If fewer than all of the Bonds are optionally redeemed at any time, the particular maturities and amounts of Bonds to be optionally redeemed shall be selected by the District in integral multiples of \$5,000 within any one maturity and if fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar (or DTC in accordance with its procedures while the Bonds are in Book-Entry-Only form) shall designate by method of random selection the Bonds within such maturity to be redeemed. If the Book-Entry-Only System is discontinued, the Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

### **No Arbitrage**

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

### **Defeasance**

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

and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Orders.

There is no assurance that the current law will not be changed in a manner which would permit other investments to be made with amounts deposited to defease the Bonds. Because the Bond Orders do not contractually limit such investments, Bondholders may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law. There is also no assurance that any investment held for such discharge will maintain its rating.

### **Bondholders' Remedies**

The Bond Orders contain a covenant that while any part of the Bonds is outstanding, there shall be assessed, levied, and collected two (2) separate annual ad valorem taxes, each levied without legal limit as to rate or amount, on all taxable property within the District, sufficient to pay principal of and interest on the Bonds and any additional tax bonds when due and to pay the expenses necessary in collecting taxes. Texas law and the Bond Orders provide that in the event that the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make debt service payments, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Orders, any Bondholder shall be entitled at any time to a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation, or condition prescribed by the Bond Orders. Such right is in addition to all other rights the Bondholders may be provided by the laws of Texas.

Except for mandamus, the Bond Orders do not specifically provide for remedies to a Bondholder in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default. Consequently, the remedy of mandamus is a remedy which may have to be relied upon from year to year by the Bondholders. Even if the Bondholders could obtain a judgment against the District, such judgment could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Certain traditional legal remedies also may be unavailable. The enforceability of the rights and remedies of the Bondholders may be further limited by federal bankruptcy laws, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. See "THE BONDS – Bankruptcy Limitation to Bondholders' Rights."

### **Bankruptcy Limitation to Bondholders' Rights**

Other than a writ of mandamus and other relief authorized by law, the Bond Orders do not expressly provide a specific remedy for a default. Even if a Bondholder could obtain a judgment against the District for a default in the payment of principal or interest, such judgment could not be satisfied by execution against any property of the District. If the District defaults, a Bondholder could petition for a writ of mandamus issued by a court of competent jurisdiction requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Orders. Such remedy might need to be enforced on a periodic basis. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. See "INVESTMENT CONSIDERATIONS – Bondholders' Remedies" and "INVESTMENT CONSIDERATIONS – Bankruptcy Limitation to Bondholders' Rights."

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

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

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

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

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

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

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## Use and Distribution of Proceeds of the Utility Bonds

Proceeds of the sale of the Utility Bonds will be used by the District to redeem the BAN, the proceeds of which were used to reimburse the Developer for a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Utility Bonds will also be used to reimburse the Developer for the improvements and related costs that were not reimbursed by the BAN and to pay: six (6) months of capitalized interest; developer interest; BAN interest; developer advances; and other certain costs associated with the issuance of the Utility Bonds, as shown below.

| <b><u>Construction Costs</u></b>                                           | <b><u>District's Share</u></b> |
|----------------------------------------------------------------------------|--------------------------------|
| <b>A. <u>Developer Contribution Items</u></b>                              |                                |
| 1. Jordan Ranch Street Dedication No. 12 and 13 and West Utility Extension | \$ 2,045,221                   |
| 2. Texas Heritage Parkway Utility Extension                                | 373,470                        |
| 3. Jordan Ranch Sections 26, 27, and 33                                    | 849,032                        |
| 4. Jordan Ranch Sections 28, 29, and 30                                    | 1,420,415                      |
| 5. Jordan Ranch Section 31                                                 | 642,761                        |
| 6. Jordan Ranch Sections 35 and 37                                         | 1,859,339                      |
| 7. Jordan Ranch Sections 36, 39, and 41                                    | 2,559,492                      |
| 8. Jordan Ranch Sections 42                                                | 823,252                        |
| 9. Jordan Ranch Sections 43                                                | 1,052,547                      |
| 10. Erosion Consultant and Stormwater Permits (Items 4 - 8)                | 264,139                        |
| 11. Engineering, Surveying, and Testing (Items 1 and 3 - 8)                | <u>1,403,413</u>               |
| Total Developer Contribution Items                                         | \$ 13,293,081                  |
| <b>B. <u>District Contribution Items</u></b>                               |                                |
| 1. Jordan Ranch Phase 6 Detention Pond                                     | \$ 2,552,069                   |
| 2. Erosion Consultant and Stormwater Permits (Item 1)                      | 1,300                          |
| 3. Engineering, Surveying, and Testing (Item 1)                            | 387,115                        |
| 4. Land Acquisition Costs for Detention Pond 19                            | <u>3,039,015</u>               |
| Total District Contribution Items                                          | \$ <u>5,979,499</u>            |
| Total Construction Costs                                                   | \$ <u>19,272,580</u>           |
| Less Surplus Funds                                                         | \$ <u>(214,608)</u>            |
| Total Net Construction Costs                                               | \$ 19,057,972                  |
| <b><u>Non-Construction Costs</u></b>                                       |                                |
| A. Legal Fees                                                              | \$ 525,000                     |
| B. Fiscal Agent Fees                                                       | 400,000                        |
| C. Interest                                                                |                                |
| 1. Capitalized Interest (6 Months)                                         | 587,722                        |
| 2. Developer Interest                                                      | 2,421,222                      |
| 3. Bond Anticipation Note Interest                                         | 407,234                        |
| D. Bond Discount                                                           | 625,000                        |
| E. Bond Issuance Expenses                                                  | 53,886                         |
| F. Bond Anticipation Note Issuance Expenses                                | 299,695                        |
| G. Bond Application Report Expense                                         | 65,000                         |
| H. Attorney General Fee (0.10%)                                            | 9,500                          |
| I. TCEQ Bond Issuance Fee (0.25%)                                          | 62,500                         |
| J. Contingency (a)                                                         | <u>485,269</u>                 |
| Total Non-Construction Costs                                               | \$ 5,942,028                   |
| <b>TOTAL BOND ISSUE REQUIREMENT</b>                                        | <b>\$ 25,000,000</b>           |

(a) Represents the difference between actual and allotted Capitalized Interest, Bond Anticipation Note Interest, and Fiscal Agent Fees.

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

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses in accordance with the rules of the TCEQ. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

### **Use and Distribution of Proceeds of the Road Bonds**

Proceeds from the Road Bonds will be used to reimburse the Developer for the improvements and related costs shown below. Additionally, proceeds from the sale of the Road Bonds will be used to pay developer interest and other certain costs associated with the issuance of the Road Bonds, as shown below.

The construction costs described below were compiled by the Engineer, based, in some cases, on the estimated costs of facilities. Non-construction costs are based upon either contract amounts or estimates made by the Engineer or the Financial Advisor.

| <b><u>Construction Costs</u></b>                                         | <b><u>District's Share</u></b> |
|--------------------------------------------------------------------------|--------------------------------|
| A. Jordan Ranch Phase 5 Detention                                        | \$ 400,144                     |
| B. Jordan Ranch Phase 6 Detention                                        | 745,535                        |
| C. Jordan Ranch Phase 7 Detention                                        | 126,947                        |
| D. Jordan Ranch Section 43                                               | 97,110                         |
| E. Jordan Ranch Sections 44                                              | 43,006                         |
| F. Jordan Ranch Section 45                                               | 631,114                        |
| G. Jordan Ranch Section 46 & 47                                          | 56,588                         |
| H. Jordan Ranch Section 48 & 49                                          | 34,378                         |
| I. Jordan Ranch Sections 50                                              | 1,143,428                      |
| J. Jordan Ranch Section 52 & 53                                          | 1,250,098                      |
| K. Jordan Ranch Section 54                                               | 1,172,419                      |
| L. Jordan Ranch Section 51 & 55                                          | 1,768,378                      |
| M. Jordan Ranch Street Dedication No. 14 & 15                            | 1,356,113                      |
| N. Tamarron Jordan Ranch Boulevard                                       | 781,706                        |
| O. Traffic Signal at Jordan Ranch Crossing Boulevard and Birch View Lane | 468,368                        |
| P. Right of Way Land Costs                                               | 384,160                        |
| Total Construction Costs                                                 | \$ 10,459,491                  |
| Less Surplus Funds                                                       | \$ (43,889)                    |
| Total Net Construction Costs                                             | \$ 10,415,602                  |
| <b><u>Non-Construction Costs</u></b>                                     |                                |
| A. Legal Fees                                                            | \$ 332,600                     |
| B. Fiscal Agent Fees                                                     | 280,700                        |
| C. Interest                                                              |                                |
| 1. Developer Interest                                                    | 3,894,851                      |
| D. Bond Discount                                                         | 384,500                        |
| E. Bond Issuance Expenses                                                | 35,347                         |
| F. Attorney General Fee (0.10%)                                          | 9,500                          |
| G. Contingency (a)                                                       | 26,900                         |
| Total Non-Construction Costs                                             | \$ 4,964,398                   |
| <b>TOTAL BOND ISSUE REQUIREMENT</b>                                      | <b>\$ 15,380,000</b>           |

(a) Represents the difference between actual and allotted Fiscal Agent Fees.

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

In the instance that estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for roads or improvements in aid thereof. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

## **THE DISTRICT**

### **Authority**

Fulshear Municipal Utility District No. 3 was created pursuant to Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution, and by the Act. By that certain Order Dividing District and Redefining Boundaries dated August 21, 2015, Fulshear Municipal Utility District No. 3 was divided into two (2) distinct municipal utility districts, creating the District and Fulshear Municipal Utility District No. 3B (“Fulshear MUD 3B”). All of Fulshear MUD 3B’s assets and liabilities were assigned to, and assumed by, the District pursuant to an Agreement for Assignment and Assumption of Assets and Liabilities dated December 16, 2022 (the “Assignment of Assets and Liabilities”). Fulshear MUD 3B was subsequently dissolved by the exclusion of all land from its boundaries, effective December 16, 2022.

The District operates under the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code and Article XVI, Section 59, of the Texas Constitution and is authorized to construct and finance road projects as provided under Article III, Section 52, of the Texas Constitution.

The District is empowered, among other things, to purchase, construct, and maintain roads in the District, and to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water.

The District also is authorized to construct, develop and maintain park and recreational facilities using operating revenues or by issuing bonds payable from taxes. In addition, the District is authorized, upon TCEQ and voter approval, to establish, operate, and maintain a fire department, independently or with one (1) or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District. However, the District does not currently operate or maintain a fire department; fire protection for the District is provided by the City. The District is subject to the continuing supervision of the TCEQ and is located in the extra territorial jurisdiction of the City.

### **Description**

Upon its creation, the District was made up of approximately 493.86 total acres, and, due to four (4) subsequent annexations, the District now encompasses approximately 1,358.44 total acres. The District is situated primarily within Fort Bend County, Texas, although a portion of the District (approximately 79 acres) is within Waller County, Texas. The District is located approximately 33 miles west of the City of Houston, Texas (“Houston”); approximately four (4) miles west of the City of Katy, Texas; approximately four (4) miles north of the City; and approximately one (1) mile south of the intersection of Interstate Highway 10 and Jordan Ranch Boulevard. The District is located in the extraterritorial jurisdiction of the City.

### **Jordan Ranch**

The District is part of the master-planned community known as “Jordan Ranch.” Jordan Ranch is located one (1) mile south of Interstate Highway 10 and includes a number of amenities for its residents such as: a community clubhouse; a resort-style pool with lazy river and kids’ splash pad; a fitness center; a picnic area; playgrounds; hike and bike trails; and open spaces throughout the community.

Jordan Ranch is made up of approximately 1,369.78 total acres, of which approximately 1,358.44 acres are located in the District. See “DEVELOPMENT WITHIN THE DISTRICT – Current Status.”

## 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' terms are four (4) years with elections held within the District on the first Saturday in May in each even numbered year. All of the directors own property in the District.

| Name               | Position            | Term Expires May |
|--------------------|---------------------|------------------|
| TeAundrae Perryman | President           | 2030             |
| Clark Holm         | Vice President      | 2030             |
| Jorge Sanchez      | Secretary           | 2028             |
| Mashhood Shah      | Assistant Secretary | 2028             |
| Denise Cavalier    | Assistant Secretary | 2030             |

### - Consultants -

**Tax Assessor/Collector** – The District has engaged Utility Tax Service, LLC as the tax assessor/collector (the “Tax Assessor/Collector”).

**Bookkeeper** – The District’s bookkeeper is Myrtle Cruz, Inc.

**Engineer** – The consulting engineer retained by the District in connection with the design and construction of the District’s facilities is IDS Engineering Group, Inc. (the “Engineer”).

**Operator** – The District has contracted with Si Environmental, LLC to oversee operation and maintenance of the Utility System.

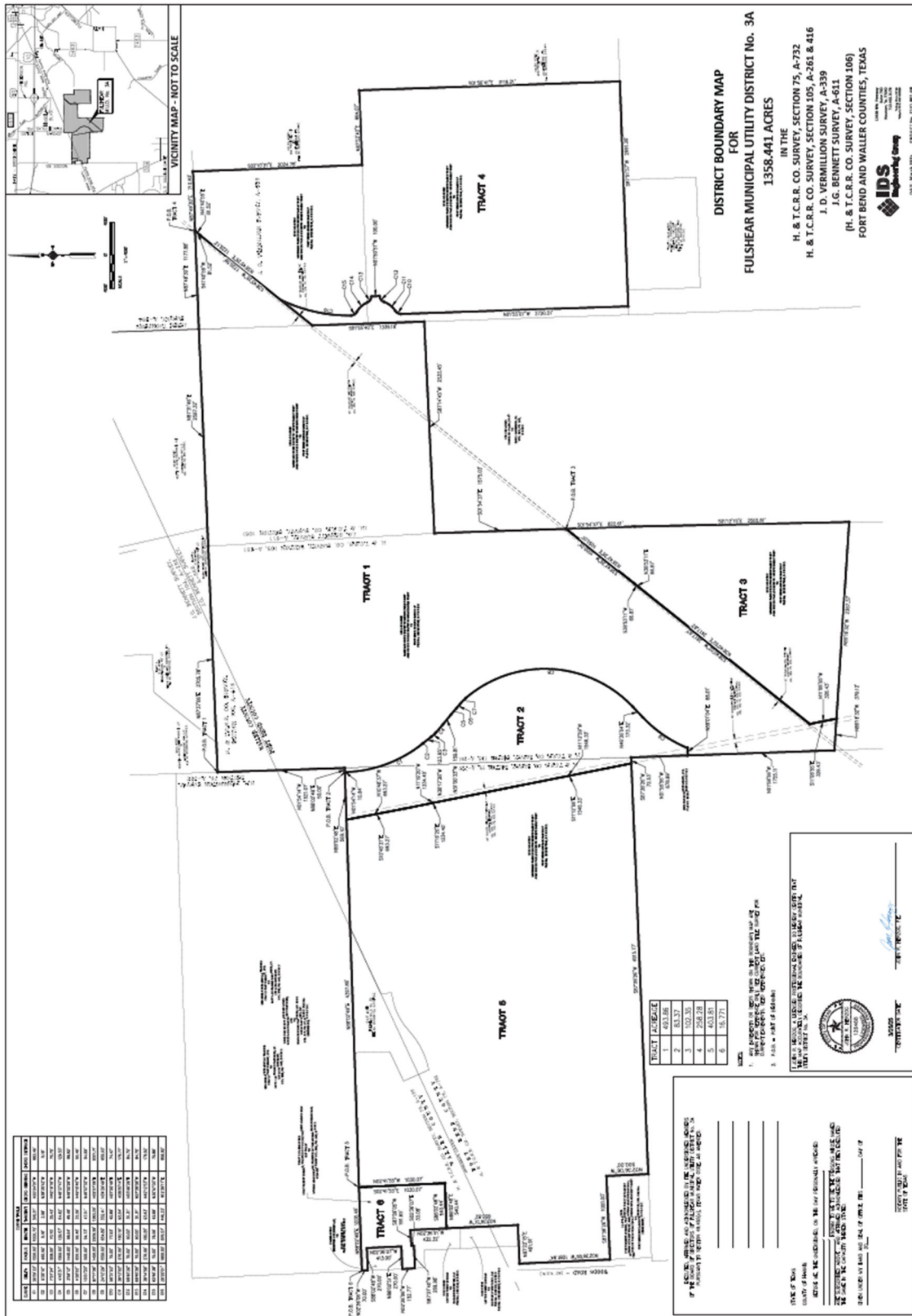
**Bond Counsel** – The District has engaged Coats Rose, P.C. as bond counsel (“Bond Counsel”) in connection with the issuance of the Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Coats Rose P.C. also serves as the District’s general counsel.

**Auditor** – The District engaged McGrath & Co., PLLC (the “Auditor”) to audit its financial statements for the fiscal year ended December 31, 2025. The District’s audited financial statements are attached as “APPENDIX A.”

**Disclosure Counsel** – Orrick, Herrington & Sutcliffe LLP serves as disclosure counsel (“Disclosure Counsel”) in connection with the issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale, and delivery of the Bonds.

**Financial Advisor** – The District has engaged the firm of Cedar Creek Municipal Advisors, LLC as financial advisor to the District (the “Financial Advisor”). Payment to the Financial Advisor by the District is contingent upon the issuance, sale, and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

# VICINITY MAP



**PHOTOGRAPHS TAKEN IN THE DISTRICT**  
**(July 2026)**



**PHOTOGRAPHS TAKEN WITHIN THE DISTRICT**  
**(July 2026)**



## DEVELOPMENT WITHIN THE DISTRICT

### Current Status

To date, a total of approximately 3,011 single-family lots have been developed within the District as the following subdivisions: Jordan Ranch, Sections 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 and Jordan Ranch Model Home Park. Said subdivisions encompass approximately 935.67 acres within the District (including some drill site and detention acreage). As of June 30, 2026, the District included approximately 2,619 completed homes (approximately 2,566 occupied, approximately 37 unoccupied, and approximately 16 model homes), approximately 121 homes under construction (approximately 36 of which being under contract for sale to homebuyers), and approximately 271 vacant developed lots. Additionally, approximately 129.44 acres have been developed for commercial use (in various stages of development), which consists of a church, fire station, elementary school, and retail/industrial/multi-family development. The remaining land within the District includes approximately 29.45 undeveloped but developable acres and approximately 263.87 undevelopable acres.

The table on the following page summarizes the development within the District as of June 30, 2026. Totals may not sum due to rounding.

*[Remainder of this page intentionally left blank.]*

| Jordan Ranch                | Acreage (a) | Section<br>Lots | Homes<br>Completed | Homes<br>Construction | Vacant<br>Lots |
|-----------------------------|-------------|-----------------|--------------------|-----------------------|----------------|
| Model Home Park             | 7.04        | 23              | 23                 | 0                     | 0              |
| Section 1                   | 13.18       | 40              | 40                 | 0                     | 0              |
| Section 2                   | 15.93       | 57              | 57                 | 0                     | 0              |
| Section 2A                  | 10.08       | 20              | 20                 | 0                     | 0              |
| Section 3                   | 12.88       | 50              | 50                 | 0                     | 0              |
| Section 4                   | 19.39       | 76              | 76                 | 0                     | 0              |
| Section 5                   | 24.95       | 24              | 24                 | 0                     | 0              |
| Section 6                   | 9.81        | 29              | 29                 | 0                     | 0              |
| Section 7                   | 5.18        | 16              | 16                 | 0                     | 0              |
| Section 8                   | 20.31       | 31              | 31                 | 0                     | 0              |
| Section 9                   | 8.86        | 26              | 26                 | 0                     | 0              |
| Section 10                  | 8.03        | 34              | 34                 | 0                     | 0              |
| Section 11                  | 8.49        | 34              | 34                 | 0                     | 0              |
| Section 12                  | 9.09        | 33              | 33                 | 0                     | 0              |
| Section 13                  | 9.45        | 39              | 39                 | 0                     | 0              |
| Section 14                  | 9.06        | 39              | 39                 | 0                     | 0              |
| Section 15                  | 16.46       | 63              | 63                 | 0                     | 0              |
| Section 16                  | 10.48       | 41              | 41                 | 0                     | 0              |
| Section 17                  | 8.37        | 35              | 35                 | 0                     | 0              |
| Section 18                  | 13.32       | 20              | 20                 | 0                     | 0              |
| Section 19                  | 23.62       | 91              | 91                 | 0                     | 0              |
| Section 20                  | 11.07       | 34              | 34                 | 0                     | 0              |
| Section 21                  | 12.85       | 43              | 43                 | 0                     | 0              |
| Section 22                  | 16.54       | 69              | 69                 | 0                     | 0              |
| Section 23                  | 12.35       | 36              | 36                 | 0                     | 0              |
| Section 24                  | 19.24       | 71              | 71                 | 0                     | 0              |
| Section 25                  | 19.81       | 85              | 85                 | 0                     | 0              |
| Section 26                  | 24.72       | 86              | 86                 | 0                     | 0              |
| Section 27                  | 9.12        | 40              | 40                 | 0                     | 0              |
| Section 28                  | 12.71       | 41              | 41                 | 0                     | 0              |
| Section 29                  | 31.57       | 40              | 40                 | 0                     | 0              |
| Section 30                  | 13.22       | 38              | 38                 | 0                     | 0              |
| Section 31                  | 23.35       | 73              | 73                 | 0                     | 0              |
| Section 32                  | 4.76        | 12              | 12                 | 0                     | 0              |
| Section 33                  | 7.08        | 29              | 29                 | 0                     | 0              |
| Section 34                  | 25.19       | 62              | 62                 | 0                     | 0              |
| Section 35                  | 16.09       | 79              | 79                 | 0                     | 0              |
| Section 36                  | 19.33       | 85              | 85                 | 0                     | 0              |
| Section 37                  | 17.73       | 55              | 55                 | 0                     | 0              |
| Section 38                  | 12.89       | 46              | 46                 | 0                     | 0              |
| Section 39                  | 13.74       | 49              | 49                 | 0                     | 0              |
| Section 40                  | 19.06       | 60              | 60                 | 0                     | 0              |
| Section 41                  | 32.07       | 48              | 48                 | 0                     | 0              |
| Section 42                  | 12.95       | 66              | 45                 | 6                     | 15             |
| Section 43                  | 29.79       | 170             | 110                | 21                    | 39             |
| Section 44                  | 43.65       | 85              | 82                 | 2                     | 1              |
| Section 45                  | 16.39       | 114             | 0                  | 9                     | 105            |
| Section 46                  | 26.79       | 71              | 65                 | 6                     | 0              |
| Section 47                  | 15.02       | 48              | 48                 | 0                     | 0              |
| Section 48                  | 8.97        | 31              | 31                 | 0                     | 0              |
| Section 49                  | 23.62       | 57              | 55                 | 1                     | 1              |
| Section 50                  | 23.02       | 80              | 19                 | 23                    | 38             |
| Section 51                  | 25.70       | 25              | 16                 | 4                     | 5              |
| Section 52                  | 11.63       | 39              | 19                 | 10                    | 10             |
| Section 53                  | 11.05       | 47              | 11                 | 12                    | 24             |
| Section 54                  | 23.45       | 103             | 75                 | 15                    | 13             |
| Section 55                  | 25.19       | 73              | 41                 | 12                    | 20             |
| Total Residential Developed | 935.67      | 3,011           | 2,619              | 121                   | 271            |
| Commercial/Multi-Family     | 129.44      |                 |                    |                       |                |
| Undeveloped but Developable | 29.45       |                 |                    |                       |                |
| Undevelopable (b)           | 263.87      |                 |                    |                       |                |
| District Total              | 1,358.44    |                 |                    |                       |                |

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(a) Also includes some drill site and detention acreage.

(b) Also includes some street, drainage, detention, park, drill site, and plant site acreage.

### Homebuilders in the District

The following homebuilders are actively constructing new homes in the District: Beazer Homes; David Weekley Homes; Highland Homes; J. Patrick Homes; Lennar Homes; Perry Homes; Westin Homes; and Chesmar Homes. New homes in the District range in price from approximately \$300,000 to over \$1,200,000 and in size from approximately 1,500 square feet to over 5,380 square feet.

### Lot-Sales Contracts

The Developer has entered into lot sales contracts with each of the following homebuilders: David Weekley Homes; Highland Homes; J. Patrick Homes; Lennar Homes/Village Builder Homes; Newmark Homes; Perry Homes; Coventry Homes; Westin Homes; Chesmar Homes; and Beazer Homes. The contracts for the sale of lots between the Developer and the builders require that earnest money be deposited with a title company, typically 10% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with the earnest money deposit being returned to the builders upon purchase of the last lots under each contract. The Developer's sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit. According to the Developer, each of the builders is in compliance with their respective lot-sales contracts.

As of June 30, 2026, the total number of lots contracted and purchased by each builder is listed below:

| Homebuilder                        | Total Lots<br>Contracted | Total Lots<br>Purchased |
|------------------------------------|--------------------------|-------------------------|
| David Weekley Homes                | 410                      | 410                     |
| Highland Homes                     | 394                      | 394                     |
| J. Patrick Homes                   | 178                      | 178                     |
| Lennar Homes/Village Builder Homes | 421                      | 421                     |
| Newmark Homes                      | 14                       | 14                      |
| Perry Homes                        | 619                      | 612                     |
| Coventry Homes                     | 54                       | 54                      |
| Westin Homes                       | 432                      | 431                     |
| Chesmar Homes                      | 423                      | 391                     |
| Beazer Homes                       | 66                       | 66                      |
| Total                              | 3,011                    | 2,971                   |

### THE DEVELOPER

#### Role

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

## **Description**

Fort Bend Jordan Ranch LP, a Texas limited partnership (the “Developer”), an affiliate of Johnson Development Corp. (“JDC”), the developer of land in the District, is the entity through which development operations are managed. JDC is a leading land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In Texas, JDC is responsible for the development of several master-planned communities, including: Riverstone; Sienna; Cross Creek Ranch; Harvest Green; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Willow Creek Farms; Trinity Falls; and Viridian (this is not an exhaustive list).

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

## **Development Financing**

In December 2015, the Developer obtained an infrastructure development loan from Texas Capital Bank, N.A. The loan had a maximum principal balance of \$27,500,000 and matured in December of 2022. That loan has been replaced by a loan obtained in January 2023 from Stellar Bank with a maximum principal balance of \$18,000,000. The loan is secured by a lien on approximately 420 acres of land plus lots owned by the Developer in the District. The outstanding balance as of June 30, 2026 was \$2,651,147.41 and, according to the Developer, it is in compliance with all material conditions of the loan.

## **THE UTILITY SYSTEM**

### **Regulation**

According to the Engineer, the District’s water distribution, wastewater collection and drainage facilities have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities. According to the Engineer, the design of all such facilities has been approved by all required governmental agencies, and the construction has been inspected by the TCEQ.

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

### **Water Supply**

Water supply is provided by a water plant located in Willow Creek Farms Municipal Utility District (“WCFMUD”), a municipal utility district adjacent to the District, and a water plant located within the District. The water plant in WCFMUD is jointly owned by WCFMUD and the District and consists of the following: a 1,000 gallon per minute (“gpm”) water well; a 500-gpm water well; two (2) 15,000-gallon pressure tanks; three (3) 220,000 gallon ground storage tanks; and five (5) booster pumps. The WCFMUD water plant will adequately serve 2,754 equivalent single-family connections (“esfc”), 1,349 of which are owned by the District. The water plant within the District consists of the following: a 1,350-gpm water well; two (2) 15,000-gallon pressure tanks; two (2) 500,000-gallon ground storage tanks; and six (6) booster pumps. This water plant will adequately serve 2,250 esfc, all of which are owned by the District. The District’s combined capacity of the water plants will serve 3,599 esfc.

Since the District’s water wells are located in Waller County, Texas, the District’s authority to pump groundwater from its water wells is subject to an annual permit issued by the Bluebonnet Groundwater Conservation District (“BGCD”). Water that is pumped from Waller County, Texas, into Fort Bend County, Texas, is subject to the authority of the North Fort Bend Water Authority (the “Authority”). BGCD and the Authority were created to protect and recharge groundwater, to prevent pollution or waste of groundwater, to control

subsidence caused by withdrawal of water from the groundwater reservoirs in the area, and to regulate the transport of water into and out of their respective boundaries. BGCD and the Authority currently charge the District an annual permit renewal fee, as well as production fees per 1,000 gallons based on the amount of groundwater pumped by the District. The District cannot predict what regulations the BGCD or the Authority may impose on the District nor the amount or level of fees and charges which may be due to the BGCD or the Authority in the future. However, the District anticipates that the costs associated with any necessary system improvements due to additional regulations or increased fees would be passed on to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any.

### **Wastewater System**

Wastewater for the District is treated by a 480,000 gallon per day ("gpd") wastewater treatment plant located in WCFMUD and a Phase 2, 720,000 gpd wastewater treatment plant located within the District. Fulshear MUD 3B participated in an expansion to the WCFMUD wastewater treatment plant to add an additional 240,000 gpd of capacity for a combined total of 480,000 gpd that will adequately serve 1,960 esfc for the District and WCFMUD.

The District obtained 720 esfc from WCFMUD pursuant to the Joint Wastewater Treatment Agreement dated February 28, 2017, as amended on November 8, 2019. The Phase 2 wastewater treatment plant consists of a 720,000 gpd plant that will adequately serve 2,938 esfc. With the Phase 2 wastewater treatment plant plus the capacity from the Joint Wastewater Treatment Plant, the District's wastewater treatment capacity is sufficient to serve 3,658 esfc.

### **Storm Drainage System**

Undeveloped land within the District generally drains from west to east and generally towards the Willow Fork of Buffalo Bayou through a series of existing fields and shallow ditches. Development within the District consists of curb and gutter streets with underground storm sewers. The storm sewer discharges to District detention basins and conveyance channels located within the District. The detention basins and conveyance channels drain east and outfall to the existing drainage channel within the Firethorne subdivision, and ultimately to Willow Fork of Buffalo Bayou.

### **100-Year Floodplain**

No areas within the District are currently within the 100-year floodplain (1% chance of annual occurrence), as currently defined by the Flood Insurance Rate Maps panels published by the Federal Emergency Management Agency.

*[Remainder of this page intentionally left blank.]*

## Operating History

The following sets forth in condensed form the historical results of the District's general operating fund. Such summary has been prepared by the Financial Advisor for inclusion herein based on information obtained from the District's audited financial statements, reference to which is made for further and more complete information. See "APPENDIX A."

|                                      | Fiscal Year Ended December 31 |                |                |               |              |
|--------------------------------------|-------------------------------|----------------|----------------|---------------|--------------|
|                                      | 2025                          | 2024           | 2023           | 2022          | 2021         |
| <b>Revenues</b>                      |                               |                |                |               |              |
| Water Service                        | \$ 718,272                    | \$ 704,432     | \$ 460,407     | \$ 372,306    | \$ 232,112   |
| Sewer Service                        | 1,645,044                     | 1,381,380      | 985,519        | 736,808       | 496,355      |
| Property Taxes                       | 2,852,746                     | 2,612,507      | 2,059,435      | 1,790,315     | 1,178,247    |
| Penalties and Interest               | 47,781                        | 50,199         | 45,306         | 47,029        | 13,946       |
| Ground Water Pumpage Fees            | 2,042,365                     | 1,732,981      | 1,113,494      | 1,041,749     | 676,539      |
| Tap Connection and Inspection        | 1,687,846                     | 1,465,848      | 1,031,848      | 965,952       | 559,818      |
| Capital Recovery Fees                | 194,392                       | 444,076        |                |               |              |
| Miscellaneous                        | 22,653                        | 16,754         | 10,337         | 7,582         | 6,179        |
| Investment Earnings                  | <u>375,389</u>                | <u>391,190</u> | <u>268,968</u> | <u>47,847</u> | <u>2,637</u> |
| Total Revenues                       | \$ 9,586,488                  | \$ 8,799,367   | \$ 5,975,314   | \$ 5,012,858  | \$ 3,165,833 |
| <b>Expenditures</b>                  |                               |                |                |               |              |
| Current Service Operations           |                               |                |                |               |              |
| Purchased Services                   | \$ 609,708                    | \$ 759,137     | \$ 656,977     | \$ 566,507    | \$ 618,121   |
| Professional Fees                    | 400,227                       | 339,487        | 279,073        | 277,365       | 182,822      |
| Contracted Services                  | 1,347,793                     | 1,169,238      | 1,319,081      | 848,343       | 583,276      |
| Repairs and Maintenance              | 965,640                       | 786,028        | 566,888        | 306,977       | 204,152      |
| Utilities                            | 415,354                       | 384,547        | 161,689        | 6,607         | 4,770        |
| Regional Water Authority Costs       | 1,894,270                     | 1,580,821      | 1,036,049      | 968,017       | 624,944      |
| Administrative                       | 143,442                       | 146,368        | 92,798         | 70,440        | 60,595       |
| Other                                | 30,510                        | 31,794         | 14,556         | 9,757         | 19,363       |
| Capital                              |                               |                |                |               |              |
| Capital Lease                        |                               |                | 3,151,448      |               |              |
| Capital Outlay                       | 2,181,294                     | 551,481        |                | 212,198       |              |
| Debt Service                         |                               |                |                |               |              |
| Lease – Principal                    | 576,190                       | 368,686        | 139,868        |               |              |
| Lease – Interest                     | <u>190,610</u>                | <u>149,864</u> | <u>59,632</u>  |               |              |
| Total Expenditures                   | \$ 8,755,038                  | \$ 6,267,451   | \$ 7,478,059   | \$ 3,266,211  | \$ 2,298,043 |
| Revenues Over / (Under Expenditures) | \$ 831,450                    | \$ 2,531,916   | \$ (1,502,745) | \$ 1,746,647  | \$ 867,790   |
| Other Financing Sources              |                               |                |                |               |              |
| Developer Advances                   |                               |                |                | 34,000        |              |
| Lease Financing                      |                               |                | 3,151,448      |               |              |
| Internal Transfers                   | <u>12,439</u>                 |                |                |               |              |
| Net Change in Fund Balance           | \$ 843,889                    | \$ 2,531,916   | \$ 1,648,703   | \$ 1,780,647  | \$ 867,790   |
| Fund Balance, Beginning of the Year  | 8,190,893                     | 5,658,977      | 4,010,274      | 2,229,627     | 1,360,676    |
| End of the Year                      | \$ 9,034,782                  | \$ 8,190,893   | \$ 5,658,997   | \$ 4,010,274  | \$ 2,228,466 |

## Subsidence and Conversion to Surface Water Supply

The portion of the District located in Fort Bend County, Texas, is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. 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 a portion of the area within the District. In 2005, the Texas legislature created the North Fort Bend

Water Authority (the “Authority” as previously defined herein) to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County, Texas (including the District), and a small portion of Harris County, Texas. The Authority has entered into a Water Supply Contract with 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 portion of the District located in Fort Bend County, Texas, is included within the Authority’s GRP. While the District’s water wells are not located within the boundaries of the Authority, the water imported into the portion of the District located within Fort Bend County, Texas, is within the Authority’s boundaries, and therefore water usage in that portion of the District is subject to Authority import fees.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged or the payment of its obligations; (ii) establish fees (including fees imposed on the District for groundwater pumped or imported by the District), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. As of January 1, 2025, the Authority charges the District \$4.55 per 1,000 gallons based on the amount of groundwater pumped or water imported and used within the Subsidence District. The Authority did not begin imposing its fee for imported water on the District until October 1, 2017.

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 water demand of the water users within the Authority’s GRP, beginning January 2013; and (ii) limit groundwater withdrawals to no more than 40% of the total water demand of the water users within the Authority’s GRP, beginning January 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a substantial disincentive fee penalty of \$3.25 per 1,000 gallons (“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 the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

### **THE ROAD SYSTEM**

The District is primarily served by two (2) thoroughfares, Jordan Ranch Boulevard and Texas Heritage Parkway, which provide residents of the District with access to Interstate 10 from the District’s internal subdivision streets. Internal subdivision streets also connect to Jordan Crossing Boulevard, a collector road, which provides access to Jordan Ranch Boulevard and Texas Heritage Parkway.

Jordan Ranch Boulevard is designated as a major thoroughfare on the respective major thoroughfare plans of Waller County, Texas, and Fort Bend County, Texas. Jordan Ranch Boulevard consists of four (4) lanes within a 100-foot-wide public right-of-way.

Jordan Crossing Boulevard is designated as a collector road on the major thoroughfare plan of Fort Bend County, Texas. Jordan Crossing Boulevard consists of two (2) and four (4) lanes within a 70-foot-wide and 100-foot-wide public right of way, respectively.

Waller County, Texas, and Fort Bend County, Texas, are responsible for ongoing maintenance of public roads in the District that have been accepted by the county and are located within their respective boundaries.

Texas Heritage Parkway is a principal thoroughfare consisting of four (4) lanes within a 200-foot-wide public right-of-way from Interstate 10 to FM 1093 in Waller County, Texas, and Fort Bend County, Texas. It is an extension of Pederson Road in Waller County, Texas, that connects to Jordan Crossing Boulevard within the District. The road is designed to have limited access with roundabouts and designated U-turn lanes to control the flow of traffic.

## DISTRICT DEBT

### General

The following tables and calculations relate to the Bonds. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

### Bond Indebtedness

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| 2026 Assessed Valuation .....                         | \$1,397,247,725 (a) |
| Estimated Assessed Valuation as of June 1, 2026 ..... | \$1,625,828,784 (b) |

#### Direct Debt:

|                                                               |                |
|---------------------------------------------------------------|----------------|
| The Outstanding Bonds (as of the Delivery of the Bonds) ..... | \$ 145,800,000 |
| The Utility Bonds .....                                       | \$ 25,000,000  |
| The Road Bonds .....                                          | \$ 15,380,000  |
| Total.....                                                    | \$ 186,180,000 |

|                                                   |                    |
|---------------------------------------------------|--------------------|
| Estimated Overlapping Debt .....                  | \$ 109,092,413 (c) |
| Total Direct and Estimated Overlapping Debt ..... | \$ 295,272,413 (c) |

#### Direct Debt Ratios:

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| As a Percentage of the 2026 Assessed Valuation .....                         | 13.32 % |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 11.45 % |

#### Direct and Estimated Overlapping Debt Ratios:

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| As a Percentage of the 2026 Assessed Valuation .....                         | 21.13 % |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 18.16 % |

|                                                                         |                  |
|-------------------------------------------------------------------------|------------------|
| Utility System Debt Service Fund Balance (as of July 13, 2026) .....    | \$ 5,231,695 (d) |
| Road System Debt Service Fund Balance (as of July 13, 2026).....        | \$ 4,856,262 (e) |
| Utility System Capital Projects Fund Balance (as of July 13, 2026)..... | \$ 1,927,445     |
| Road System Capital Projects Fund Balance (as of July 13, 2026).....    | \$ 11,456        |
| General Operating Fund Balance (as of July 13, 2026).....               | \$ 10,813,421    |

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2026, provided by the Appraisal Districts (herein defined). Such amount includes \$8,779,725 of assessed valuation assigned to properties that remain under review by the Appraisal Review Boards (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Boards, upon which the District will levy its tax. See "TAX PROCEDURES" and "TAX DATA."

(b) Provided by the Appraisal Districts for informational purposes only. This amount is an estimate of the assessed valuation of all taxable property within the District as of June 1, 2026, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2026, through June 1, 2026. No taxes will be levied against this amount. See "TAX PROCEDURES" and "TAX DATA."

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

(d) At the delivery of the Utility Bonds, six (6) months of capitalized interest will be deposited into the Utility System Debt Service Fund. Neither Texas law nor the Utility Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System, including the Outstanding Road Bonds and the Road Bonds.

(e) Neither Texas law nor the Road Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System, including the Outstanding Utility Bonds and the Utility Bonds.

### Direct and Estimated Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or *Texas Municipal Reports* published by the Municipal Advisory Council of Texas.

The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the 2025 Assessed Valuation of taxable property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

| Taxing Jurisdiction                                   | Outstanding Debt<br>as of June 30, 2026 | Overlapping |               |
|-------------------------------------------------------|-----------------------------------------|-------------|---------------|
|                                                       |                                         | Percent     | Amount        |
| Fort Bend County                                      | \$1,152,335,706                         | 0.89%       | \$ 10,234,133 |
| Fort Bend County Drainage District                    | 20,585,000                              | 0.89%       | 184,097       |
| Lamar Consolidated Independent School District        | 3,555,130,000                           | 2.75%       | 97,766,075    |
| Waller County                                         | 169,535,000                             | 0.11%       | 190,063       |
| Katy Independent School District                      | 2,514,530,000                           | 0.03%       | 718,045       |
| Total Estimated Overlapping Debt .....                |                                         |             | \$109,092,413 |
| Direct Debt (a) .....                                 |                                         |             | \$186,180,000 |
| Total Direct and Estimated Overlapping Debt (a) ..... |                                         |             | \$295,272,413 |

(a) Includes the Outstanding Bonds and the Bonds.

### Debt Ratios

Ratio of Direct Debt (a):

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| As a Percentage of the 2026 Assessed Valuation .....                         | 13.32 % |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 11.45 % |

Ratio of Direct and Estimated Overlapping Debt (a):

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| As a Percentage of the 2026 Assessed Valuation .....                         | 21.13 % |
| As a Percentage of the Estimated Assessed Valuation as of June 1, 2026 ..... | 18.16 % |

(a) Includes the Outstanding Bonds and the Bonds.

## Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements of the Outstanding Bonds and the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

| Year  | Outstanding      | The Utility Bonds |               |               | The Road Bonds |               |               | Total Combined |
|-------|------------------|-------------------|---------------|---------------|----------------|---------------|---------------|----------------|
|       | Debt Service (a) | Principal         | Interest      | Debt Service  | Principal      | Interest      | Debt Service  | Debt Service   |
| 2026  | \$ 7,062,844     | \$ -              | \$ -          | \$ -          | \$ -           | \$ -          | \$ -          | \$ 7,062,844   |
| 2027  | 10,245,226       | 540,000           | 1,126,467     | 1,666,467     | 330,000        | 692,995       | 1,022,995     | 12,934,688     |
| 2028  | 10,208,633       | 585,000           | 1,140,344     | 1,725,344     | 360,000        | 701,675       | 1,061,675     | 12,995,651     |
| 2029  | 10,181,313       | 615,000           | 1,102,319     | 1,717,319     | 380,000        | 678,275       | 1,058,275     | 12,956,906     |
| 2030  | 10,154,403       | 640,000           | 1,062,344     | 1,702,344     | 395,000        | 653,575       | 1,048,575     | 12,905,321     |
| 2031  | 10,125,913       | 670,000           | 1,020,744     | 1,690,744     | 410,000        | 627,900       | 1,037,900     | 12,854,556     |
| 2032  | 10,122,444       | 700,000           | 977,194       | 1,677,194     | 430,000        | 601,250       | 1,031,250     | 12,830,888     |
| 2033  | 10,153,894       | 730,000           | 931,694       | 1,661,694     | 450,000        | 573,300       | 1,023,300     | 12,838,888     |
| 2034  | 10,182,280       | 765,000           | 884,244       | 1,649,244     | 470,000        | 544,050       | 1,014,050     | 12,845,574     |
| 2035  | 10,196,074       | 800,000           | 853,644       | 1,653,644     | 490,000        | 525,250       | 1,015,250     | 12,864,968     |
| 2036  | 10,215,443       | 835,000           | 821,644       | 1,656,644     | 515,000        | 505,650       | 1,020,650     | 12,892,736     |
| 2037  | 10,264,495       | 870,000           | 788,244       | 1,658,244     | 535,000        | 485,050       | 1,020,050     | 12,942,789     |
| 2038  | 10,276,988       | 910,000           | 753,444       | 1,663,444     | 560,000        | 463,650       | 1,023,650     | 12,964,081     |
| 2039  | 10,303,325       | 955,000           | 717,044       | 1,672,044     | 585,000        | 441,250       | 1,026,250     | 13,001,619     |
| 2040  | 10,333,506       | 995,000           | 677,650       | 1,672,650     | 610,000        | 417,119       | 1,027,119     | 13,033,275     |
| 2041  | 10,363,400       | 1,040,000         | 635,363       | 1,675,363     | 640,000        | 391,194       | 1,031,194     | 13,069,956     |
| 2042  | 10,400,175       | 1,085,000         | 589,863       | 1,674,863     | 670,000        | 363,194       | 1,033,194     | 13,108,231     |
| 2043  | 9,993,944        | 1,135,000         | 542,394       | 1,677,394     | 700,000        | 333,881       | 1,033,881     | 12,705,219     |
| 2044  | 10,013,575       | 1,185,000         | 492,738       | 1,677,738     | 730,000        | 303,256       | 1,033,256     | 12,724,569     |
| 2045  | 9,505,500        | 1,240,000         | 440,894       | 1,680,894     | 765,000        | 271,319       | 1,036,319     | 12,222,713     |
| 2046  | 9,094,300        | 1,295,000         | 386,644       | 1,681,644     | 795,000        | 237,850       | 1,032,850     | 11,808,794     |
| 2047  | 8,637,144        | 1,355,000         | 329,988       | 1,684,988     | 835,000        | 203,069       | 1,038,069     | 11,360,200     |
| 2048  | 6,910,981        | 1,415,000         | 270,706       | 1,685,706     | 870,000        | 166,538       | 1,036,538     | 9,633,225      |
| 2049  | 4,403,025        | 1,480,000         | 208,800       | 1,688,800     | 910,000        | 128,475       | 1,038,475     | 7,130,300      |
| 2050  | 2,268,000        | 1,545,000         | 142,200       | 1,687,200     | 950,000        | 87,525        | 1,037,525     | 4,992,725      |
| 2051  | -                | 1,615,000         | 72,675        | 1,687,675     | 995,000        | 44,775        | 1,039,775     | 2,727,450      |
| Total | \$231,616,822    | \$ 25,000,000     | \$ 16,969,279 | \$ 41,969,279 | \$ 15,380,000  | \$ 10,442,064 | \$ 25,822,064 | \$ 299,408,165 |

(a) Outstanding debt as of July 1, 2026.

Combined Average Annual Debt Service Requirement on the  
Outstanding Bonds and the Bonds (2027–2051) .....\$ 11,693,813

Combined Maximum Annual Debt Service Requirement on the  
Outstanding Bonds and the Bonds (2042).....\$ 13,108,231

## **TAX PROCEDURES**

### **Authority to Levy Taxes**

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

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

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

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Fort Bend Central Appraisal District and the Waller County Appraisal District (together, the "Appraisal Districts") have the responsibility for appraising property for all taxing units within Fort Bend County, Texas, and Waller County, Texas, including the District. Such appraisal values are subject to review and change by the Fort Bend County Appraisal Review Board and the Waller County Appraisal Review Board (together, the "Appraisal Review Boards"). The appraisal roll as approved by the Appraisal Review Boards must be used by the District in establishing its tax roll and tax rate.

### **Property Subject to Taxation by the District**

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

Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent allowed by law. The disabled veteran exemption ranges between \$5,000 and \$12,000, depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption of the full value of the veteran's residential

homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

***Residential Homestead Exemptions:*** The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to 20% of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1.

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

## **Tax Abatement**

Fort Bend County, Texas; Waller County, Texas; and the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, Texas; Waller County, Texas; the City (if it were to annex the District); and the District, at the option and discretion of each entity, may enter into tax abatement

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

### **Valuation of Property for Taxation**

Generally, property in the District must be appraised by the Appraisal Districts at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, 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 100% of market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10% annually regardless of the market value of the property.

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

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 of 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 one (1) political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

## **Disaster Exemption**

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. 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.

## **Tax Payment Installments After Disaster**

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three (3) equal installments within six (6) months of the delinquency date.

## **District and Taxpayer Remedies**

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

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that 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 date of delinquency may be postponed if the tax bills are mailed after January 1. A person 65 years of age is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due September 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 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 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to 20% if imposed by the District. The delinquent tax also accrues interest at a rate of 1% for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least 65 years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes

in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

### **Rollback of Operation and Maintenance Tax Rate**

Chapter 49 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 rates cannot be reduced by a rollback election held within any of the districts described below.

#### *Special Taxing Units*

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

#### *Developed Districts*

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

#### *Developing Districts*

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

## *The District*

For the 2025 tax year, the District made the determination of its status as a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

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

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

Except with respect to (i) owners of residential homestead property who are 65 years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collections Limitations."

## **TAX DATA**

### **General**

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Orders to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an unlimited amount, for operation and maintenance purposes. For the 2025 tax year, the District levied a total tax rate of \$1.120 per \$100 of assessed valuation composed of the following: a tax rate in the amount of \$0.250 for maintenance and operations purposes; a tax rate in the amount of \$0.470 for payment of debt service on bonds issued for the Utility System; and a tax rate in the amount of \$0.400 for payment of debt service on bonds issued for the Road System.

### **Tax Rate Limitation**

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Utility System Debt Service: | Unlimited (no legal limit as to rate or amount) |
| Road System Debt Service:    | Unlimited (no legal limit as to rate or amount) |
| Maintenance and Operations:  | \$1.500 per \$100 Assessed Taxable Value        |

## Historical Values and Tax Collection History

The following statement of tax collections sets forth in condensed form the historical Assessed Valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information. The District first levied an ad valorem tax in 2015.

| Tax Year | Assessed Valuation | Tax Rate (a) | Adjusted Levy | Collections Current Year | Current Year Ended 09/30 | Collections 05/31/2026 |
|----------|--------------------|--------------|---------------|--------------------------|--------------------------|------------------------|
| 2021     | \$ 255,619,196     | 1.400        | 3,578,669     | 99.84%                   | 2022                     | 99.99%                 |
| 2022     | 412,877,443        | 1.300        | 5,367,407     | 99.72%                   | 2023                     | 99.85%                 |
| 2023     | 701,559,741        | 1.200        | 8,418,717     | 99.57%                   | 2024                     | 99.83%                 |
| 2024     | 919,962,417        | 1.150        | 10,579,568    | 98.52%                   | 2025                     | 99.61%                 |
| 2025     | 1,166,816,078      | 1.120        | 13,068,340    | 97.30% (b)               | 2026                     | 97.30% (b)             |

The District is in the process of levying its 2026 tax rate.

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

(b) In process of collections.

## Analysis of Tax Base

The following table illustrates the composition of property located within the District for the 2022–2026 tax years:

| Type of Property  | 2026<br>Assessed<br>Valuation (a) | 2025<br>Assessed<br>Valuation | 2024<br>Assessed<br>Valuation | 2023<br>Assessed<br>Valuation | 2022<br>Assessed<br>Valuation |
|-------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Land              | \$ 279,339,337                    | \$ 255,197,140                | \$ 224,781,533                | \$ 161,891,149                | \$ 102,712,890                |
| Improvements      | 1,162,022,619                     | 980,100,885                   | 741,438,143                   | 569,231,279                   | 331,634,002                   |
| Personal Property | 10,132,248                        | 3,437,382                     | 3,137,606                     | 1,458,316                     | 861,962                       |
| Exemptions        | (63,026,204)                      | (71,919,329)                  | (49,394,865)                  | (31,021,003)                  | (22,331,411)                  |
| Total             | \$ 1,388,468,000                  | \$ 1,166,816,078              | \$ 919,962,417                | \$ 701,559,741                | \$ 412,877,443                |

(a) Such amounts do not include \$8,779,725 of assessed valuation assigned to properties that remain under review by the Appraisal Review Boards. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Boards, upon which the District will levy its tax. See "TAX PROCEDURES."

## Tax Rate Distribution

The following table illustrates the breakdown of the District's tax rate in the 2021–2025 tax years:

|                                 | 2025           | 2024           | 2023           | 2022           | 2021           |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Utility System Debt Service (a) | \$0.470        | \$0.415        | \$0.440        | \$0.480        | \$0.530        |
| Road System Debt Service (a)    | \$0.400        | \$0.425        | \$0.390        | \$0.320        | \$0.200        |
| Maintenance & Operations        | <u>\$0.250</u> | <u>\$0.310</u> | <u>\$0.370</u> | <u>\$0.500</u> | <u>\$0.670</u> |
| Total                           | \$1.120        | \$1.150        | \$1.200        | \$1.300        | \$1.400        |

The District is in the process of levying its 2026 tax rate.

(a) The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the Utility System and for payment of debt service on bonds issued by the District for the Road System; both such taxes are unlimited as to rate or amount. See "THE BONDS - Authority for Issuance."

## Principal Taxpayers

Based upon information supplied by the Tax Assessor/Collector, the following table lists principal taxpayers in the District, the types of property owned by such taxpayers, and the assessed valuation of such property as of January 1, 2026. Totals may not sum due to rounding.

| Taxpayer                         | Type of Property    | Assessed Valuation<br>2026 Tax Roll | Percent of<br>2026 Tax Roll |
|----------------------------------|---------------------|-------------------------------------|-----------------------------|
| VIC at Jordan Ranch LLC          | Land & Improvements | 53,750,129                          | 3.87%                       |
| Broadstone Jordan Ranch Owner LP | Land & Improvements | 47,162,800                          | 3.40%                       |
| Jordan Ranch Grocer LLC          | Land & Improvements | 34,630,191                          | 2.49%                       |
| Woods Crossing Venture LLC       | Land & Improvements | 16,911,535                          | 1.22%                       |
| Perry Homes LLC                  | Land & Improvements | 5,842,386                           | 0.42%                       |
| H-E-B LP                         | Personal Property   | 5,359,591                           | 0.39%                       |
| BNL Jordan Ranch Property LLC    | Land & Improvements | 5,193,302                           | 0.37%                       |
| Chesmar Homes LLC                | Land & Improvements | 4,468,722                           | 0.32%                       |
| Warberg Deal 16 LP               | Land                | 3,735,995                           | 0.27%                       |
| AP Capital Holdings V LLC        | Land & Improvements | 3,666,864                           | 0.26%                       |
| Total                            |                     | \$ 180,721,515                      | 13.02%                      |

## Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of assessed taxable valuation that would be required to meet certain combined debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the District's assessed valuation as of January 1, 2026, of all taxable property located within the District (\$1,397,247,725) or the Estimated Assessed Valuation as of June 1, 2026, of all taxable property located within the District (\$1,625,828,784). The calculations assume collection of 95% of taxes levied, the sale of the Bonds but not the sale of any additional bonds by the District. Debt service on the Bonds.

Combined Average Annual Debt Service Requirement (2027–2051) on the

|                                                                                               |              |
|-----------------------------------------------------------------------------------------------|--------------|
| Outstanding Bonds and the Bonds .....                                                         | \$11,693,813 |
| Combined Tax Rate of \$0.89 on the 2026 Assessed Valuation Produces .....                     | \$11,813,730 |
| Combined Tax Rate of \$0.76 on the Estimated Assessed Valuation (June 1, 2026) Produces ..... | \$11,738,484 |

Combined Maximum Annual Debt Service Requirement (2042) on the

|                                                                                               |              |
|-----------------------------------------------------------------------------------------------|--------------|
| Outstanding Bonds and the Bonds .....                                                         | \$13,108,231 |
| Combined Tax Rate of \$0.99 on the 2026 Assessed Valuation Produces .....                     | \$13,141,115 |
| Combined Tax Rate of \$0.85 on the Estimated Assessed Valuation (June 1, 2026) Produces ..... | \$13,128,567 |

## Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2025 taxes levied upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

| Taxing Jurisdiction                                | 2025 Tax Rate    |               |
|----------------------------------------------------|------------------|---------------|
|                                                    | Fort Bend County | Waller County |
| The District                                       | \$ 1.120000      | \$ 1.120000   |
| Fort Bend County                                   | 0.412000         | -             |
| Fort Bend County Drainage District                 | 0.010000         | -             |
| Fort Bend County Emergency Services District No. 4 | 0.096628         | -             |
| Lamar Consolidated Independent School District     | 1.146900         | -             |
| Waller County                                      | -                | 0.532596      |
| Waller County FM Road                              | -                | 0.023591      |
| Waller-Harris Emergency Services District No. 200  | -                | 0.100000      |
| Brookshire-Katy Drainage District                  | -                | 0.057850      |
| Katy Independent School District                   | -                | 1.117000      |
| Estimated Total Tax Rate                           | \$ 2.785528      | \$ 2.951137   |

## INVESTMENT CONSIDERATIONS

### General

The Bonds, which are obligations solely of the District and are not obligations of Texas; Fort Bend County, Texas; Waller County, Texas; the City; or any political subdivision other than the District, will be secured by two (2) separate annual ad valorem taxes, each without legal limitation as to rate or amount, levied by the District upon all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential development and construction industries, not only due to general economic conditions, but also due to the particular factors discussed below.

### Factors Affecting Taxable Values and Tax Payments

**Economic Factors:** The rate of development of the District is directly related to the vitality of the residential housing industry. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District.

**Principal Landowner/Developer:** There is no commitment by, or legal requirement of, the principal landowners, the Developer, or any other landowner in the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and

result in higher tax rates. See “DEVELOPMENT WITHIN THE DISTRICT,” “THE DEVELOPER,” and “TAX DATA – Principal Taxpayers.”

***Dependence on Principal Taxpayers:*** The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District’s ability to meet its debt service obligations. As illustrated in this Official Statement under the caption “TAX DATA – Principal Taxpayers,” as of January 1, 2026, the District’s principal taxpayers owned property located within the District which comprised of, in aggregate, approximately 13.02% of the total assessed valuation of all taxable property located within the District. As of January 1, 2026, the Developer owned property comprising of approximately 0.35% of the total assessed valuation of all taxable property located within the District. See “THE DEVELOPER – Description.”

In the event that the Developer, any other taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District’s combined Debt Service Fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Orders to maintain any specified amount of surplus in its interest and sinking fund. See “TAX DATA – Principal Taxpayers” and “TAX PROCEDURES – Levy and Collection of Taxes.”

***Maximum Impact on District Tax Rate:*** 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 District property owners to pay their taxes. The assessed valuation as of January 1, 2026, of all taxable property located within the District is \$1,397,247,725 and the estimated assessed valuation as of June 1, 2026 of all taxable property located within the district is \$1,625,828,784. See “TAX DATA.”

After issuance of the Bonds, the combined maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be \$13,108,231 (2042) and the combined average annual debt service requirement on the Outstanding Bonds and the Bonds will be \$11,693,813 (2027–2051). Assuming no decrease to the District’s assessed valuation as of January 1, 2026, of all taxable property located within the District, tax rates of \$0.99 and \$0.89 per \$100 of assessed valuation at a 95% tax collection rate would be necessary to pay the combined maximum annual debt service requirement and the combined average annual debt service requirement, respectively. Assuming no decrease from the District’s estimated assessed valuation as of June 1, 2026, of all taxable property located within the District, tax rates of \$0.85 and \$0.76 per \$100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the combined maximum annual debt service requirement and the combined average annual debt service requirement, respectively. See “TAX DATA – Tax Rate Calculations.” The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners.

For the 2025 tax year, the District levied a total tax rate of \$1.120 per \$100 of assessed valuation composed of the following: a tax rate in the amount of \$0.250 for maintenance and operations purposes; a tax rate in the amount of \$0.470 for payment of debt service on bonds issued for the Utility System; and a tax rate in the amount of \$0.400 for payment of debt service on bonds issued for the Road System. Increases in the District’s tax rate to substantially higher levels than the current tax rate of \$1.120 per \$100 of assessed valuation which the District presently levied may have an adverse impact upon future development of the District, the sale and construction of homes within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a registered owner of the Bonds of the District’s obligations to collect sufficient taxes may be a costly and lengthy process.

### **Competitive Nature of Houston Residential Market**

The residential housing industry in the Houston area is very competitive, and the District can give no assurance that the building programs which are planned by any homebuilder(s) will be continued or completed. The respective competitive position of the homebuilders listed herein and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale of single-family residential units, are affected by most of the factors discussed

in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

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

**Location and Access:** The District is located approximately 33 miles west of the central business district of the City of Houston, Texas, approximately four (4) miles west of the City of Katy, Texas and approximately four (4) miles north of the City of Fulshear, Texas. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See “THE DISTRICT” and “DEVELOPMENT WITHIN THE DISTRICT.”

### **Increase in Costs of Building Materials**

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

### **Tax Collections Limitations**

The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court’s stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer’s right to redeem the property within two (2) years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers’ right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See “TAX PROCEDURES.”

## **Bondholders' Remedies**

In the event of default in the payment of principal of or interest on the Bonds, the registered holders of the Bonds (the "Bondholders") have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Orders do not provide for remedies to protect and enforce the interests of the Bondholders. 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. Based on recent Texas court decisions, it is unclear whether, §49.066, Texas Water Code, effectively waives governmental immunity of a municipal utility district for suits for money damages. Even if the Bondholders could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property of the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Bondholders would have to initiate and finance the legal process to enforce their remedies.

## **Bankruptcy Limitation to Bondholders' Rights**

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (1) is authorized to file for federal bankruptcy protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desired to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must also obtain the approval of the TCEQ prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial conditions of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the Bondholder could potentially and adversely impair the value of the Bondholder's claim.

If the District decides in the future to proceed voluntarily under the federal Bankruptcy Code, the District could develop and file a plan for the adjustment of its debts. If such a plan was confirmed by the bankruptcy court, it could, among other things, affect the Beneficial Owners by reducing or eliminating the interest rate or the principal amount, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Beneficial Owners' claims against the District.

The District may not be placed into bankruptcy involuntarily.

## **Marketability**

The District has no understanding with the Initial Purchasers regarding the reoffering yields or prices of the Bonds (other than the initial reoffering yields) and has no control over the trading of the Bonds in the secondary market. There is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

## **Future Debt**

At an election held within the District on November 3, 2015, voters of the District authorized the issuance of a total of \$164,300,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System, a total of \$87,900,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System, and a total of \$38,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District. At the same election,

voters of the District authorized bonds for the purpose of refunding such bonds. Additional amounts may be authorized.

The Utility Bonds represent the ninth series of unlimited tax bonds issued by the District for the purpose of constructing or acquiring the Utility System and the Road Bonds represent the ninth series of unlimited tax bonds issued by the District for the purpose of constructing or acquiring the Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$53,530,000 for the purpose of constructing or acquiring the Utility System; \$0 for the purpose of constructing or acquiring the Road System; and \$38,000,000 for the purpose of constructing or acquiring parks and recreational facilities to serve the District.

The District may also issue any additional bonds as may hereafter be approved by both the Board and voters of the District, as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Orders. The District's issuance of the remaining \$53,530,000 unlimited tax bonds for the purpose of constructing or acquiring the Utility System and the \$38,000,000 unlimited tax bonds for the purpose of constructing or acquiring parks and recreational facilities to serve the District shall be subject to approval by the TCEQ. See "THE BONDS – Issuance of Additional Debt."

According to the Developer, following the issuance of the Bonds, the District will owe the Developer approximately \$41,500,000 for its expenditures advanced to date for the development of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

### **Continuing Compliance with Certain Covenants**

The Bond Orders contain covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

### **Annexation**

Chapter 42, Local Government Code, provides that, within the limits described therein, the unincorporated area contiguous to the corporate limits of any municipality comprises that municipality's extraterritorial jurisdiction ("ETJ"). The size of an ETJ depends in part on the municipality's population. With certain exceptions, a municipality may annex territory only within the confines of its ETJ. When a municipality annexes additional territory, the municipality's ETJ expands in conformity with such annexation.

The District lies within the ETJ of the City of Fulshear, Texas (the "City"), a home rule municipality. The District may not be annexed for full purposes by the City except as may be specifically authorized by Chapter 43, Local Government Code, as amended. Any authorized annexation is subject to compliance by the City with various requirements of Chapter 43, Local Government Code. Such requirements include the requirement that the City hold an election in the District whereby the qualified voters of the District approve the proposed annexation. Further, if the voters in the area to be annexed do not own more than 50% of the land in the area, a petition signed by more than 50% of the landowners consenting to the annexation is also required. If the District is annexed, the City must assume the District's assets and obligations (e.g., the Bonds and the Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should the annexation occur.

### **Consolidation**

Under Texas law, the District may be consolidated with other municipal utility districts, with the assets and liabilities of the consolidated districts belonging to the consolidated district. No representation is made that the District will ever consolidate with one (1) or more districts, although no consolidation is presently contemplated by the District.

## **Approval of the Bonds**

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

## **Environmental Regulations**

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

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

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

***Air Quality Issues.*** Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the TCEQ may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight (8)-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 (2) separate federal ozone standards: the eight (8)-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 (8)-hour ozone standard in 2015 (the “2015 Ozone Standard”). While 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.

On October 7, 2022, the EPA published final notice reclassifying the HGB Area from “serious” to “severe” under the 2008 Ozone Standard, effective November 7, 2022. The “severe” nonattainment area classification 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 attainment deadline for the HGB Area under the 2008 Ozone Standard is July 20, 2027.

The HGB Area is currently designated as a “serious” nonattainment area under the 2015 Ozone Standard, effective November 7, 2022. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six (6) counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties. The attainment deadline for the HGB Area under the 2015 Ozone Standard is August 3, 2027.

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 90 contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances (“PFAS”), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

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

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

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

While the *Sackett* decision 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.

## **Dependence on the Oil and Gas Industry**

The volatility in oil prices in the U.S. and globally may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston 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. As previously stated, the Bonds are secured by two (2) separate unlimited ad valorem taxes, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

## **Severe Weather Events**

The Texas Gulf Coast area is subject to occasional severe tropical 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 Texas Gulf Coast area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e. "500 year flood" events) since 2015. The most recent event was Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four (4) 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 the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

## **National Weather Service Atlas 14 Rainfall Study**

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

## **Specific Flood Type Risks**

The District may be subject to the following flood risks:

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

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

release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

### **Potential Impact of Natural Disaster**

The District is located near the Texas Gulf Coast and, as it has in the past, could be impacted by high winds and flooding caused by hurricane, tornado, tropical storm, or other adverse weather event. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed valuation of the District or an increase in the District's tax rate.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

### **Bond Insurance Risk Factors**

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

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

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

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

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

Neither the District nor the Initial Purchasers have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND

INSURANCE” for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

### **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.

## **LEGAL MATTERS**

### **Legal Opinions**

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

### **No-Litigation Certificate**

The District will furnish the Initial Purchasers a certificate, dated as of the Date of Delivery of the Bonds, executed by both the President of the Board and the Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

### **No Material Adverse Change**

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

## **TAX MATTERS**

### **Tax Exemption**

On the date of initial delivery of the Bonds, Bond Counsel will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes is excludable from the gross income of the holders thereof, except that such interest is taken into account in determining the annual adjusted financial statement of income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986 (the “Code”)) for the purpose of determining the alternative minimum tax imposed on corporations, and (2) the Bonds will not be treated as “specified private activity bonds,” the interest on which would be included as an alternative minimum tax preference item under Section 57(a)(5) of the Code, as amended.

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

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

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

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

#### **Federal Income Tax Accounting Treatment of Original Issue Discount**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one (1) year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one (1) year.

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

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

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

maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

### **Collateral Federal Income Tax Consequences**

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

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

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

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

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one (1) year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

### **Not Qualified Tax-Exempt Obligations**

The District has not designated the Bonds as "qualified tax-exempt obligations" for financial institutions.

### **CONTINUING DISCLOSURE OF INFORMATION**

In the Bond Orders, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the 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") through its Electronic Municipal Market Access System ("EMMA").

## **Annual Reports**

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement included under the headings “DISTRICT DEBT,” “TAX DATA,” and in “APPENDIX A.” The District will update and provide this information within six (6) months after the end of each fiscal year. The District will provide the updated information to the MSRB.

Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six (6) month period, and audited financial statements when and if the audit report becomes available. The District’s current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

## **Event Notices**

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of 10 days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12 of the Securities Exchange Act (the “Rule”); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Orders make any provision for debt service reserves or liquidity enhancement. The term “financial obligation” when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

## **Availability of Information from MSRB**

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB through its EMMA system at [www.emma.msrb.org](http://www.emma.msrb.org).

## **Limitations and Amendments**

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

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

## **Compliance with Prior Undertakings**

During the last five (5) years, the District has complied in all material respects with its continuing disclosure undertakings pursuant to the Rule.

## **OFFICIAL STATEMENT**

### **General**

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

The District’s financial statements for the fiscal year ended December 31, 2025, were audited by the Auditor and have been attached hereto as “APPENDIX A.” The Auditor has agreed to the publication of such audited financial statements as part of this Official Statement.

## **Experts**

The information contained in this Official Statement relating to development within the District generally and, in particular, the information in the section captioned “DEVELOPMENT WITHIN THE DISTRICT – Current Status” has been provided by the Developer and has been included herein in reliance upon the authority and knowledge of each such party concerning the matters described therein.

The information contained in this Official Statement relating to engineering matters and to the description of the Utility System generally and, in particular, the engineering information included in the sections captioned “THE UTILITY SYSTEM” and “THE ROAD SYSTEM,” has been provided by the Engineer. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned “TAX DATA” and “DISTRICT DEBT” was provided by the Tax Assessor/Collector and the Appraisal Districts. Such information has been included herein in reliance upon the Tax Assessor/Collector’s authority as an expert in the field of tax collection and the Appraisal District’s authority as an expert in the field of property appraisal.

## **Certification of Official Statement**

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

## **Updating of Official Statement**

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

*[Remainder of this page intentionally left blank.]*

## CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Fulshear Municipal Utility District No. 3A as of the date shown on the cover of this Official Statement.

/s/ TeAundrae Perryman  
President, Board of Directors  
Fulshear Municipal Utility District No. 3A

ATTEST:

/s/ Jorge Sanchez  
Secretary, Board of Directors  
Fulshear Municipal Utility District No. 3A

**APPENDIX A**  
**Financial Statements of the District**

**FULSHEAR MUNICIPAL  
UTILITY DISTRICT NO. 3A**

**FORT BEND AND WALLER COUNTIES, TEXAS**

**FINANCIAL REPORT**

**December 31, 2025**



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# **McGRATH & CO., PLLC**

*Certified Public Accountants*

2950 North Loop West, Suite 810

Houston, Texas 77092

## **Independent Auditor's Report**

Board of Directors  
Fulshear Municipal Utility District No. 3A  
Fort Bend and Waller Counties, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Fulshear Municipal Utility District No. 3A (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fulshear Municipal Utility District No. 3A, as of December 31, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

***Board of Directors  
Fulshear Municipal Utility District No. 3A  
Fort Bend and Waller Counties, Texas***

**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 budgetary comparison information 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

***Board of Directors  
Fulshear Municipal Utility District No. 3A  
Fort Bend and Waller Counties, Texas***

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.

**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 Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information 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 Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "McGlothlin & Co, PLLC".

Houston, Texas  
April 13, 2026

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## **Management's Discussion and Analysis**

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***Fulshear Municipal Utility District No. 3A  
Management's Discussion and Analysis  
December 31, 2025***

## **Using this Annual Report**

This section of the financial report of Fulshear Municipal Utility District No. 3A (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

## **Overview of the Financial Statements**

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

## **Government-Wide Financial Statements**

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

***Fulshear Municipal Utility District No. 3A  
Management's Discussion and Analysis  
December 31, 2025***

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

**Fund Financial Statements**

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

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

The District's net position at December 31, 2025, was negative \$86,822,031. The District's net position is negative because the District incurs debt to construct road facilities which it conveys to Fort Bend and Waller Counties. A comparative summary of the District's overall financial position, as of December 31, 2025 and 2024, is as follows:

|                                     | 2025                   | 2024                   |
|-------------------------------------|------------------------|------------------------|
| Current and other assets            | \$ 28,577,926          | \$ 24,559,834          |
| Capital assets                      | 121,168,326            | 102,357,887            |
| Total assets                        | <u>149,746,252</u>     | <u>126,917,721</u>     |
| Current liabilities                 | 21,952,041             | 19,234,365             |
| Long-term liabilities               | 201,968,487            | 167,046,203            |
| Total liabilities                   | <u>223,920,528</u>     | <u>186,280,568</u>     |
| Total deferred inflows of resources | <u>12,647,755</u>      | <u>10,660,122</u>      |
| Net position                        |                        |                        |
| Net investment in capital assets    | (30,324,056)           | (23,852,199)           |
| Restricted                          | 1,266,503              | 1,476,856              |
| Unrestricted                        | <u>(57,764,477)</u>    | <u>(47,647,626)</u>    |
| Total net position                  | <u>\$ (86,822,031)</u> | <u>\$ (70,022,969)</u> |

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The total net position of the District decreased during the current fiscal year by \$16,799,062. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

|                                          | 2025                          | 2024                          |
|------------------------------------------|-------------------------------|-------------------------------|
| Revenues                                 |                               |                               |
| Water and sewer service                  | \$ 2,363,316                  | \$ 2,085,812                  |
| Property taxes, penalties and interest   | 10,699,983                    | 8,621,513                     |
| Regional water authority fees            | 2,042,365                     | 1,732,981                     |
| Other                                    | 2,598,765                     | 2,630,270                     |
| Total revenues                           | <u>17,704,429</u>             | <u>15,070,576</u>             |
| Expenses                                 |                               |                               |
| Current service operations               | 6,141,286                     | 5,383,523                     |
| Debt interest and fees                   | 6,224,555                     | 4,289,747                     |
| Developer interest                       | 5,658,769                     | 4,009,449                     |
| Debt issuance costs                      | 2,579,906                     | 2,766,358                     |
| Depreciation and amortization            | 3,618,498                     | 3,229,995                     |
| Total expenses                           | <u>24,223,014</u>             | <u>19,679,072</u>             |
| Change in net position before other item | (6,518,585)                   | (4,608,496)                   |
| Other items                              |                               |                               |
| Loss on disposal of assets               | (1,075,978)                   |                               |
| Transfers to other governments           | <u>(9,204,499)</u>            | <u>(17,008,028)</u>           |
| Change in net position                   | (16,799,062)                  | (21,616,524)                  |
| Net position, beginning of year          | <u>(70,022,969)</u>           | <u>(48,406,445)</u>           |
| Net position, end of year                | <u><u>\$ (86,822,031)</u></u> | <u><u>\$ (70,022,969)</u></u> |

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

The District's combined fund balances, as of December 31, 2025, were \$14,314,349, which consists of \$9,034,782 in the General Fund, \$3,279,782 in the Debt Service Fund, and \$1,999,785 in the Capital Projects Fund.

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*General Fund*

A comparative summary of the General Fund's financial position as of December 31, 2025 and 2024, is as follows:

|                                                      | 2025                 | 2024                 |
|------------------------------------------------------|----------------------|----------------------|
| Total assets                                         | <u>\$ 13,243,357</u> | <u>\$ 11,851,214</u> |
| Total liabilities                                    | \$ 1,368,045         | \$ 767,816           |
| Total deferred inflows                               | 2,840,530            | 2,892,505            |
| Total fund balance                                   | <u>9,034,782</u>     | <u>8,190,893</u>     |
| Total liabilities, deferred inflows and fund balance | <u>\$ 13,243,357</u> | <u>\$ 11,851,214</u> |

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

|                               | 2025               | 2024                |
|-------------------------------|--------------------|---------------------|
| Total revenues                | \$ 9,586,488       | \$ 8,799,367        |
| Total expenditures            | <u>(8,755,038)</u> | <u>(6,267,451)</u>  |
| Revenues over expenditures    | 831,450            | 2,531,916           |
| Other changes in fund balance | 12,439             |                     |
| Net change in fund balance    | <u>\$ 843,889</u>  | <u>\$ 2,531,916</u> |

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District, and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. The 2024 levy was recognized as revenues in the 2025 fiscal year, while the 2023 levy was recognized in the 2024 fiscal year (to the extent that these amounts were collected). While the District decreased its maintenance tax levy, property tax revenues increased because assessed values in the District increased from the prior year.
- Water, sewer and regional water authority revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.

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*Debt Service Fund*

A comparative summary of the Debt Service Fund's financial position as of December 31, 2025 and 2024, is as follows:

|                                                      | 2025                 | 2024                 |
|------------------------------------------------------|----------------------|----------------------|
| Total assets                                         | <u>\$ 13,551,860</u> | <u>\$ 10,621,785</u> |
| Total liabilities                                    | \$ 389,181           | \$ 8,117             |
| Total deferred inflows                               | 9,882,897            | 7,840,617            |
| Total fund balance                                   | <u>3,279,782</u>     | <u>2,773,051</u>     |
| Total liabilities, deferred inflows and fund balance | <u>\$ 13,551,860</u> | <u>\$ 10,621,785</u> |

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

|                               | 2025               | 2024               |
|-------------------------------|--------------------|--------------------|
| Total revenues                | \$ 8,028,987       | \$ 6,147,570       |
| Total expenditures            | <u>(8,263,278)</u> | <u>(6,302,052)</u> |
| Revenues under expenditures   | (234,291)          | (154,482)          |
| Other changes in fund balance | <u>741,022</u>     | <u>671,263</u>     |
| Net change in fund balance    | <u>\$ 506,731</u>  | <u>\$ 516,781</u>  |

The District's financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues and capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

*Capital Projects Fund*

A comparative summary of the Capital Projects Fund's financial position as of December 31, 2025 and 2024, is as follows:

|                                    | 2025                | 2024                |
|------------------------------------|---------------------|---------------------|
| Total assets                       | <u>\$ 2,227,800</u> | <u>\$ 2,086,835</u> |
| Total liabilities                  | \$ 228,015          | \$ 235,661          |
| Total fund balance                 | <u>1,999,785</u>    | <u>1,851,174</u>    |
| Total liabilities and fund balance | <u>\$ 2,227,800</u> | <u>\$ 2,086,835</u> |

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A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

|                               | 2025         | 2024         |
|-------------------------------|--------------|--------------|
| Total revenues                | \$ 86,281    | \$ 83,966    |
| Total expenditures            | (31,654,209) | (37,504,457) |
| Revenues under expenditures   | (31,567,928) | (37,420,491) |
| Other changes in fund balance | 31,716,539   | 37,386,237   |
| Net change in fund balance    | \$ 148,611   | \$ (34,254)  |

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2025 Unlimited Tax Bonds, Series 2025 Unlimited Tax Road Bonds, and Series 2025 Bond Anticipation Note in the current fiscal year and issuance of its Series 2024 Unlimited Tax Bonds, Series 2024 Unlimited Tax Road Bonds, and Series 2024 Bond Anticipation Note in the prior year.

### **General Fund Budgetary Highlights**

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$276,850 greater than budgeted. The *Budgetary Comparison Schedule* on page 44 of this report provides variance information per financial statement line item.

### **Capital Assets**

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

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Capital assets held by the District at December 31, 2025 and 2024, are summarized as follows:

|                                             | <u>2025</u>                  | <u>2024</u>                  |
|---------------------------------------------|------------------------------|------------------------------|
| Capital assets not being depreciated        |                              |                              |
| Land and improvements                       | \$ 24,128,685                | \$ 20,572,973                |
| Construction in progress                    | 1,694,543                    | 2,785,484                    |
|                                             | <u>25,823,228</u>            | <u>23,358,457</u>            |
| Capital assets being depreciated/amortized  |                              |                              |
| Infrastructure                              | 82,244,797                   | 66,303,599                   |
| Landscaping improvements                    | 21,778,927                   | 18,370,588                   |
| Capacity charges                            | 1,504,079                    | 1,504,079                    |
| Right-to-use leased assets                  | 3,151,448                    | 3,151,448                    |
|                                             | <u>108,679,251</u>           | <u>89,329,714</u>            |
| Less accumulated depreciation/amortization  |                              |                              |
| Infrastructure                              | (7,601,307)                  | (6,152,564)                  |
| Landscaping improvements                    | (4,450,613)                  | (3,361,667)                  |
| Capacity charges                            | (265,779)                    | (225,834)                    |
| Right-to-use leased assets                  | (1,016,454)                  | (590,219)                    |
|                                             | <u>(13,334,153)</u>          | <u>(10,330,284)</u>          |
| Depreciable/amortizable capital assets, net | <u>95,345,098</u>            | <u>78,999,430</u>            |
| Capital assets, net                         | <u><u>\$ 121,168,326</u></u> | <u><u>\$ 102,357,887</u></u> |

Capital asset additions during the current fiscal year include the following:

- Wastewater Treatment Plant Phase 2
- Water Plant 1 Phase 2
- Jordan Ranch Phase 6 – stormwater detention facilities
- Regency Centers at Jordan Ranch – utilities
- Jordan Ranch Sections 51, 52, 53, 54 and 55 – utilities
- Jordan Ranch Section 34 – lift station
- Jordan Ranch Sections 35, 36, 37, 39, 43, 46, and 47 – landscaping
- Jordan Ranch Street Dedication Nos. 14 and 15 – utilities
- Detention Basins 19 and 19A (39.478 acres)
- Water meters

The District's construction in progress is for the construction of Water Plant No. 1 Well No. 2.

Fort Bend and Waller Counties assume responsibility (after a one-year maintenance period) for road facilities constructed within their respective boundaries. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is

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***Management's Discussion and Analysis***  
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reimbursed. For the year ended December 31, 2025, capital assets in the amount of \$9,204,499 have been recorded as transfers to other governments in the government-wide statements.

**Lease Obligations**

The District has entered into various equipment lease obligations for interim wastewater treatment plants. The District recognized right-to-use leased assets and lease obligations in the amount of \$3,151,448 for these leases. The balance due for the leases as of December 31, 2025, was \$2,066,704.

**Long-Term Debt and Related Liabilities**

As of December 31, 2025, the District owes approximately \$54,725,799 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 7, the District has an additional commitment in the amount of \$18,800,000 for projects under construction by the developers. As noted, the District will owe the developers for these projects upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At December 31, 2025 and 2024, the District had total bonded debt outstanding as shown below:

| Series    | 2025                  | 2024                  |
|-----------|-----------------------|-----------------------|
| 2018      | \$ 3,905,000          | \$ 4,060,000          |
| 2018 Road | 1,285,000             | 1,335,000             |
| 2019      | 4,765,000             | 4,935,000             |
| 2019 Road | 2,375,000             | 2,460,000             |
| 2020      | 4,430,000             | 4,590,000             |
| 2020 Road | 2,200,000             | 2,280,000             |
| 2021      | 6,480,000             | 6,710,000             |
| 2021 Road | 1,315,000             | 1,360,000             |
| 2022      | 11,155,000            | 11,450,000            |
| 2022 Road | 12,975,000            | 13,320,000            |
| 2023      | 15,480,000            | 15,860,000            |
| 2023 Road | 20,190,000            | 20,685,000            |
| 2024      | 11,775,000            | 12,025,000            |
| 2024 Road | 19,580,000            | 20,000,000            |
| 2025      | 22,675,000            |                       |
| 2025 Road | 9,150,000             |                       |
|           | <u>\$ 149,735,000</u> | <u>\$ 121,070,000</u> |

During the current fiscal year, the District issued \$22,675,000 in unlimited tax bonds and \$9,150,000 in unlimited tax road bonds. At December 31, 2025, the District had \$78,530,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary

***Fulshear Municipal Utility District No. 3A  
Management's Discussion and Analysis  
December 31, 2025***

sewer and drainage systems within the District and \$246,450,000 for the refunding of such bonds; \$15,380,000 for road improvements and \$131,850,000 for the refunding of such bonds; and \$38,000,000 for parks and recreational facilities.

During the current fiscal year, the District issued a \$13,790,000 bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 6 for additional information.

**Next Year's Budget**

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

|                               | <u>2025 Actual</u>         | <u>2026 Budget</u>          |
|-------------------------------|----------------------------|-----------------------------|
| Total revenues                | \$ 9,586,488               | \$ 7,085,000                |
| Total expenditures            | <u>(8,755,038)</u>         | <u>(6,103,527)</u>          |
| Revenues over expenditures    | 831,450                    | 981,473                     |
| Other changes in fund balance | <u>12,439</u>              |                             |
| Net change in fund balance    | 843,889                    | 981,473                     |
| Beginning fund balance        | <u>8,190,893</u>           | <u>9,034,782</u>            |
| Ending fund balance           | <u><u>\$ 9,034,782</u></u> | <u><u>\$ 10,016,255</u></u> |

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## **Basic Financial Statements**

***Fulshear Municipal Utility District No. 3A***  
***Statement of Net Position and Governmental Funds Balance Sheet***  
***December 31, 2025***

|                                                                       | General<br>Fund      | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total                |
|-----------------------------------------------------------------------|----------------------|-------------------------|-----------------------------|----------------------|
| <b>Assets</b>                                                         |                      |                         |                             |                      |
| Cash                                                                  | \$ 2,070,116         | \$ 1,332,188            | \$ 236,221                  | \$ 3,638,525         |
| Investments                                                           | 7,566,293            | 3,566,014               | 1,991,579                   | 13,123,886           |
| Taxes receivable                                                      | 2,487,398            | 8,653,658               |                             | 11,141,056           |
| Customer service receivables                                          | 464,945              |                         |                             | 464,945              |
| Interfund receivables (Note 4)                                        | 445,091              |                         |                             | 445,091              |
| Prepaid items                                                         | 191,700              |                         |                             | 191,700              |
| Other receivables                                                     | 17,814               |                         |                             | 17,814               |
| Capital assets not being depreciated (Note 5)                         |                      |                         |                             |                      |
| Capital assets, net (Note 5)                                          |                      |                         |                             |                      |
| Total Assets                                                          | <u>\$ 13,243,357</u> | <u>\$ 13,551,860</u>    | <u>\$ 2,227,800</u>         | <u>\$ 29,023,017</u> |
| <b>Liabilities</b>                                                    |                      |                         |                             |                      |
| Accounts payable                                                      | \$ 415,845           | \$ -                    | \$ 4,000                    | \$ 419,845           |
| Other payables                                                        | 25,000               | 13,512                  |                             | 38,512               |
| Interfund payables (Note 4)                                           |                      | 375,669                 | 69,422                      | 445,091              |
| Customer deposits                                                     | 373,025              |                         |                             | 373,025              |
| Retainage payable                                                     |                      |                         | 154,593                     | 154,593              |
| Unearned revenue                                                      | 554,175              |                         |                             | 554,175              |
| Accrued interest payable                                              |                      |                         |                             |                      |
| Bond anticipation note payable (Note 6)                               |                      |                         |                             |                      |
| Due to developer (Note 7)                                             |                      |                         |                             |                      |
| Obligations under leases (Note 8)                                     |                      |                         |                             |                      |
| Due within one year                                                   |                      |                         |                             |                      |
| Due after one year                                                    |                      |                         |                             |                      |
| Long-term debt (Note 9)                                               |                      |                         |                             |                      |
| Due within one year                                                   |                      |                         |                             |                      |
| Due after one year                                                    |                      |                         |                             |                      |
| Total Liabilities                                                     | <u>1,368,045</u>     | <u>389,181</u>          | <u>228,015</u>              | <u>1,985,241</u>     |
| <b>Deferred Inflows of Resources</b>                                  |                      |                         |                             |                      |
| Deferred property taxes (Note 1)                                      | <u>2,840,530</u>     | <u>9,882,897</u>        |                             | <u>12,723,427</u>    |
| <b>Fund Balances/Net Position</b>                                     |                      |                         |                             |                      |
| <b>Fund Balances</b>                                                  |                      |                         |                             |                      |
| Nonspendable                                                          | 191,700              |                         |                             | 191,700              |
| Restricted                                                            |                      | 3,279,782               | 1,999,785                   | 5,279,567            |
| Unassigned                                                            | 8,843,082            |                         |                             | 8,843,082            |
| Total Fund Balances                                                   | <u>9,034,782</u>     | <u>3,279,782</u>        | <u>1,999,785</u>            | <u>14,314,349</u>    |
| Total Liabilities, Deferred Inflows<br>of Resources and Fund Balances | <u>\$ 13,243,357</u> | <u>\$ 13,551,860</u>    | <u>\$ 2,227,800</u>         | <u>\$ 29,023,017</u> |
| <b>Net Position</b>                                                   |                      |                         |                             |                      |
| Net investment in capital assets                                      |                      |                         |                             |                      |
| Restricted for debt service                                           |                      |                         |                             |                      |
| Unrestricted                                                          |                      |                         |                             |                      |
| Total Net Position                                                    |                      |                         |                             |                      |

See notes to basic financial statements.

| Adjustments            | Statement of<br>Net Position |
|------------------------|------------------------------|
| \$ -                   | \$ 3,638,525                 |
|                        | 13,123,886                   |
|                        | 11,141,056                   |
|                        | 464,945                      |
| (445,091)              | 191,700                      |
|                        | 17,814                       |
| 25,823,228             | 25,823,228                   |
| 95,345,098             | 95,345,098                   |
| <u>120,723,235</u>     | <u>149,746,252</u>           |
|                        | 419,845                      |
|                        | 38,512                       |
| (445,091)              | 373,025                      |
|                        | 154,593                      |
|                        | 554,175                      |
| 2,062,875              | 2,062,875                    |
| 13,790,000             | 13,790,000                   |
| 54,725,799             | 54,725,799                   |
| 624,016                | 624,016                      |
| 1,442,688              | 1,442,688                    |
| 3,935,000              | 3,935,000                    |
| 145,800,000            | 145,800,000                  |
| <u>221,935,287</u>     | <u>223,920,528</u>           |
| <u>(75,672)</u>        | <u>12,647,755</u>            |
| (191,700)              |                              |
| (5,279,567)            |                              |
| (8,843,082)            |                              |
| <u>(14,314,349)</u>    |                              |
| (30,324,056)           | (30,324,056)                 |
| 1,266,503              | 1,266,503                    |
| (57,764,477)           | (57,764,477)                 |
| <u>\$ (86,822,031)</u> | <u>\$ (86,822,031)</u>       |

***Fulshear Municipal Utility District No. 3A***

***Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2025***

|                                               | General<br>Fund     | Debt<br>Service<br>Fund | Capital<br>Projects<br>Fund | Total                |
|-----------------------------------------------|---------------------|-------------------------|-----------------------------|----------------------|
| <b>Revenues</b>                               |                     |                         |                             |                      |
| Water service                                 | \$ 718,272          | \$ -                    | \$ -                        | \$ 718,272           |
| Sewer service                                 | 1,645,044           |                         |                             | 1,645,044            |
| Property taxes                                | 2,852,746           | 7,718,010               |                             | 10,570,756           |
| Penalties and interest                        | 47,781              | 78,773                  |                             | 126,554              |
| Regional water authority fees                 | 2,042,365           |                         |                             | 2,042,365            |
| Tap connection and inspection                 | 1,687,846           |                         |                             | 1,687,846            |
| Capital recovery fees                         | 194,392             |                         |                             | 194,392              |
| Miscellaneous                                 | 22,653              |                         |                             | 22,653               |
| Investment earnings                           | 375,389             | 232,204                 | 86,281                      | 693,874              |
| Total Revenues                                | 9,586,488           | 8,028,987               | 86,281                      | 17,701,756           |
| <b>Expenditures/Expenses</b>                  |                     |                         |                             |                      |
| Current service operations                    |                     |                         |                             |                      |
| Purchased services                            | 609,708             |                         |                             | 609,708              |
| Professional fees                             | 400,227             |                         | 84,021                      | 484,248              |
| Contracted services                           | 1,347,793           | 227,917                 |                             | 1,575,710            |
| Repairs and maintenance                       | 965,640             |                         |                             | 965,640              |
| Utilities                                     | 415,354             |                         |                             | 415,354              |
| Regional water authority fees                 | 1,894,270           |                         |                             | 1,894,270            |
| Administrative                                | 143,442             | 21,104                  |                             | 164,546              |
| Other                                         | 30,510              | 1,300                   |                             | 31,810               |
| Capital outlay                                | 2,181,294           |                         | 22,871,820                  | 25,053,114           |
| Debt service                                  |                     |                         |                             |                      |
| Principal                                     | 576,190             | 3,160,000               |                             | 3,736,190            |
| Interest and fees                             | 190,610             | 4,852,957               | 459,693                     | 5,503,260            |
| Developer interest                            |                     |                         | 5,658,769                   | 5,658,769            |
| Debt issuance costs                           |                     |                         | 2,579,906                   | 2,579,906            |
| Depreciation and amortization (Note 5)        |                     |                         |                             |                      |
| Total Expenditures/Expenses                   | 8,755,038           | 8,263,278               | 31,654,209                  | 48,672,525           |
| <b>Revenues Over/(Under)</b>                  |                     |                         |                             |                      |
| <b>Expenditures/Expenses</b>                  | 831,450             | (234,291)               | (31,567,928)                | (30,970,769)         |
| <b>Other Financing Sources/(Uses)</b>         |                     |                         |                             |                      |
| Proceeds from sale of bonds (Note 9)          |                     | 741,022                 | 31,083,978                  | 31,825,000           |
| Proceeds from bond anticipation note (Note 6) |                     |                         | 13,790,000                  | 13,790,000           |
| Repayment of bond anticipation note (Note 6)  |                     |                         | (13,145,000)                | (13,145,000)         |
| Internal transfers (Note 4)                   | 12,439              |                         | (12,439)                    |                      |
| <b>Other Items</b>                            |                     |                         |                             |                      |
| Transfers to other governments (Note 11)      |                     |                         |                             |                      |
| Loss on disposal of assets (Note 5)           |                     |                         |                             |                      |
| <b>Net Change in Fund Balances</b>            | 843,889             | 506,731                 | 148,611                     | 1,499,231            |
| <b>Change in Net Position</b>                 |                     |                         |                             |                      |
| Fund Balance/Net Position                     |                     |                         |                             |                      |
| Beginning of the year                         | 8,190,893           | 2,773,051               | 1,851,174                   | 12,815,118           |
| <b>End of the year</b>                        | <u>\$ 9,034,782</u> | <u>\$ 3,279,782</u>     | <u>\$ 1,999,785</u>         | <u>\$ 14,314,349</u> |

See notes to basic financial statements.

| Adjustments             | Statement of<br>Activities |
|-------------------------|----------------------------|
| \$ -                    | \$ 718,272                 |
|                         | 1,645,044                  |
| 2,673                   | 10,573,429                 |
|                         | 126,554                    |
|                         | 2,042,365                  |
|                         | 1,687,846                  |
|                         | 194,392                    |
|                         | 22,653                     |
|                         | 693,874                    |
| 2,673                   | 17,704,429                 |
|                         | 609,708                    |
|                         | 484,248                    |
|                         | 1,575,710                  |
|                         | 965,640                    |
|                         | 415,354                    |
|                         | 1,894,270                  |
|                         | 164,546                    |
|                         | 31,810                     |
| (25,053,114)            |                            |
| (3,736,190)             |                            |
| 721,295                 | 6,224,555                  |
|                         | 5,658,769                  |
|                         | 2,579,906                  |
| 3,618,498               | 3,618,498                  |
| (24,449,511)            | 24,223,014                 |
| 24,452,184              | (6,518,585)                |
| (31,825,000)            |                            |
| (13,790,000)            |                            |
| 13,145,000              |                            |
| (9,204,499)             | (9,204,499)                |
| (1,075,978)             | (1,075,978)                |
| (1,499,231)             |                            |
| (16,799,062)            | (16,799,062)               |
| (82,838,087)            | (70,022,969)               |
| <u>\$ (101,136,380)</u> | <u>\$ (86,822,031)</u>     |

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***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of Fulshear Municipal Utility District No. 3A (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

**Creation and Merger**

Fulshear Municipal Utility District No. 3 (“MUD 3”) was created pursuant to Senate Bill 1910, 83<sup>rd</sup> Legislature of the State of Texas, Regular Session, (the “Act”) codified as Chapter 8487, Texas Special District Local Laws Code, in accordance with Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution and confirmed at an election held on May 9, 2015. On August 18, 2015, the City Council of the City of Fulshear consented to the division of MUD 3 into two Districts: Fulshear Municipal Utility District No. 3A (“MUD 3A”) and Fulshear Municipal Utility District No. 3B (“MUD 3B”). On December 16, 2022, MUD 3A and MUD 3B entered into that certain Assignment and Assumption of Assets and Liabilities (the “Agreement”) pursuant to which the MUD 3A and MUD 3B agreed that all assets and liabilities of MUD 3B existing on the effective date of the Agreement would be assigned to and assumed by MUD 3A and that MUD 3B would cease to exist. All lands within MUD 3B were removed from MUD 3B and annexed by MUD 3A. The Agreement was executed to better serve residents within the boundaries of MUD 3A and MUD 3B.

All references to the “District” in this report refer to the combined entity of MUD 3A and MUD 3B. To ensure clarity of certain note disclosures, each district may be referred to as MUD 3A or MUD 3B.

The District operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on August 21, 2015, and the first bonds were issued on February 27, 2018. The District’s primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

**Reporting Entity**

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other 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 statements as component units.

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

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major” funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District’s water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District’s general long-term debt. The primary source of revenue for debt service is property taxes. During the current fiscal year, financial resources also included capitalized interest from the sale of bonds. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District’s water, sewer, drainage and road facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

## **Measurement Focus and Basis of Accounting**

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of

***Fulshear Municipal Utility District No. 3A***  
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the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

**Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

**Prepaid Items**

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At December 31, 2025, an allowance for uncollectible accounts was not considered necessary.

**Unbilled Service Revenues**

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

**Interfund Activity**

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is eliminated in the government-wide financial statement presentation.

**Capital Assets**

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is \$50,000. The threshold for subscription-based information technology arrangements (SBITAs) is \$250,000.

***Fulshear Municipal Utility District No. 3A***  
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Capital assets are recorded at historical cost or estimated historical cost. Right-to-use leased assets are valued at the present value of future lease payments. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of water, wastewater, drainage facilities and landscape improvements are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

| Assets                     | Useful Life                |
|----------------------------|----------------------------|
| Infrastructure             | 10-45 years                |
| Landscaping improvements   | 20 years                   |
| Capacity charges           | Remaining life of contract |
| Right-to-use leased assets | 5 years                    |

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

### **Deferred Inflows and Outflows of Financial Resources**

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources. Additionally, collections of the 2025 property tax levy are not considered current year revenues and, consequently, are also reported as deferred property taxes.

Deferred inflows of financial resources at the government-wide level consist of the 2025 property tax levy, which was levied to finance the 2026 fiscal year.

### **Net Position – Governmental Activities**

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
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Unrestricted – resources not included in the other components.

**Fund Balances – Governmental Funds**

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service and capitalized interest from the sale of bonds in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to Fort Bend and Waller Counties and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
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**Note 2 – Adjustment from Governmental to Government-wide Basis**

**Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position***

|                                        |  |               |
|----------------------------------------|--|---------------|
| Total fund balance, governmental funds |  | \$ 14,314,349 |
|----------------------------------------|--|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

|                                            |                     |             |
|--------------------------------------------|---------------------|-------------|
| Historical cost                            | \$ 134,502,479      |             |
| Less accumulated depreciation/amortization | <u>(13,334,153)</u> |             |
|                                            |                     | 121,168,326 |

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

|                                |                      |               |
|--------------------------------|----------------------|---------------|
| Accrued interest payable       | (2,062,875)          |               |
| Bond anticipation note payable | (13,790,000)         |               |
| Due to developer               | (54,725,799)         |               |
| Lease obligations              | (2,066,704)          |               |
| Bonds payable                  | <u>(149,735,000)</u> |               |
|                                |                      | (222,380,378) |

Deferred inflows in the fund statements consist of the unavailable portion of property taxes receivable, as well as collections of the District's 2025 property tax levy. In the *Statement of Net Position*, deferred inflows consist of the entire 2025 property tax levy.

|                                               |                     |        |
|-----------------------------------------------|---------------------|--------|
| Fund level deferred property taxes            | 12,723,427          |        |
| Government wide level deferred property taxes | <u>(12,647,755)</u> |        |
|                                               |                     | 75,672 |

|                                              |  |                               |
|----------------------------------------------|--|-------------------------------|
| Total net position - governmental activities |  | <u><u>\$ (86,822,031)</u></u> |
|----------------------------------------------|--|-------------------------------|

***Fulshear Municipal Utility District No. 3A***  
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**Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities***

Net change in fund balances - total governmental funds \$ 1,499,231

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes. 2,673

Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities.

Differences during the current fiscal year are for the following:

|                                    |               |            |
|------------------------------------|---------------|------------|
| Capital outlays                    | \$ 25,053,114 |            |
| Depreciation/amortization expense  | (3,618,498)   |            |
| Transfers to other governments     | (9,204,499)   |            |
| Loss on disposal of capital assets | (1,075,978)   |            |
|                                    | 11,154,139    | 11,154,139 |

Financial reporting for certain obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as debt is issued and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Principal payments                  | 3,736,190    |              |
| Interest expense accrual            | (721,295)    |              |
| Issuance of long-term debt          | (31,825,000) |              |
| Bond anticipation note proceeds     | (13,790,000) |              |
| Repayment of bond anticipation note | 13,145,000   |              |
|                                     | (29,455,105) | (29,455,105) |

|                                                   |                 |
|---------------------------------------------------|-----------------|
| Change in net position of governmental activities | \$ (16,799,062) |
|---------------------------------------------------|-----------------|

### **Note 3 – Deposits and Investments**

#### **Deposit Custodial Credit Risk**

Custodial credit risk as it applies to deposits (i.e. cash and certificates of deposit) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

#### **Investments**

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

***Fulshear Municipal Utility District No. 3A***  
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As of December 31, 2025, the District's investments consist of the following:

| Type                    | Fund             | Carrying Value       | Percentage of Total | Rating | Weighted Average Maturity |
|-------------------------|------------------|----------------------|---------------------|--------|---------------------------|
| Certificates of deposit | General          | <u>\$ 959,895</u>    | 7%                  | N/A    | N/A                       |
| TexSTAR                 | General          | 6,606,398            |                     |        |                           |
|                         | Debt Service     | 3,566,014            |                     |        |                           |
|                         | Capital Projects | <u>1,991,579</u>     |                     |        |                           |
|                         |                  | <u>12,163,991</u>    | 93%                 | AAAm   | 43 days                   |
| Total                   |                  | <u>\$ 13,123,886</u> | 100%                |        |                           |

The District's investments in certificates of deposit are reported at cost.

**TexSTAR**

The Texas Short Term Asset Reserve fund ("TexSTAR") is managed by Hilltop Securities, and J.P. Morgan Investment Management, Inc. Hilltop Securities provides participant and marketing services while J.P. Morgan provides investment management services. Custodial and depository services are provided by J.P. Morgan Chase Bank N.A. or its subsidiary.

TexSTAR uses amortized cost rather than fair value to report net assets to compute share price. Accordingly, investments in TexSTAR are stated at amortized cost which approximates fair value. Investments in TexSTAR may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

**Investment Credit and Interest Rate Risk**

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

***Fulshear Municipal Utility District No. 3A***  
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**Note 4 – Interfund Balances and Transactions**

Amounts due to/from other funds at December 31, 2025, consist of the following:

| Receivable Fund | Payable Fund          | Amounts    | Purpose                                                 |
|-----------------|-----------------------|------------|---------------------------------------------------------|
| General Fund    | Debt Service Fund     | \$ 375,019 | Maintenance tax collections not remitted as of year end |
| General Fund    | Debt Service Fund     | 650        | Arbitrage expenses paid by the General Fund             |
| General Fund    | Capital Projects Fund | 69,422     | Professional fees paid by the General Fund              |

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

During the current fiscal year, the District recognized an internal transfer of \$12,439 between the General Fund and Capital Projects Fund for the reimbursement of capital outlay paid by the General Fund.

**Note 5 – Capital Assets**

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

|                                            | Beginning<br>Balances | Increases/<br>Decreases | Ending<br>Balances    |
|--------------------------------------------|-----------------------|-------------------------|-----------------------|
| Capital assets not being depreciated       |                       |                         |                       |
| Land and improvements                      | \$ 20,572,973         | \$ 3,555,712            | \$ 24,128,685         |
| Construction in progress                   | 2,785,484             | (1,090,941)             | 1,694,543             |
|                                            | <u>23,358,457</u>     | <u>2,464,771</u>        | <u>25,823,228</u>     |
| Capital assets being depreciated/amortized |                       |                         |                       |
| Infrastructure                             | 66,303,599            | 15,941,198              | 82,244,797            |
| Landscaping improvements                   | 18,370,588            | 3,408,339               | 21,778,927            |
| Capacity charges                           | 1,504,079             |                         | 1,504,079             |
| Right-to-use leased assets                 | 3,151,448             |                         | 3,151,448             |
|                                            | <u>89,329,714</u>     | <u>19,349,537</u>       | <u>108,679,251</u>    |
| Less accumulated depreciation/amortization |                       |                         |                       |
| Infrastructure                             | (6,152,564)           | (1,448,743)             | (7,601,307)           |
| Landscaping improvements                   | (3,361,667)           | (1,088,946)             | (4,450,613)           |
| Capacity charges                           | (225,834)             | (39,945)                | (265,779)             |
| Right-to-use leased assets                 | (590,219)             | (426,235)               | (1,016,454)           |
|                                            | <u>(10,330,284)</u>   | <u>(3,003,869)</u>      | <u>(13,334,153)</u>   |
| Subtotal depreciable capital assets, net   | <u>78,999,430</u>     | <u>16,345,668</u>       | <u>95,345,098</u>     |
| Capital assets, net                        | <u>\$ 102,357,887</u> | <u>\$ 18,810,439</u>    | <u>\$ 121,168,326</u> |

***Fulshear Municipal Utility District No. 3A***  
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Depreciation/amortization expense for the current fiscal year was \$3,618,498.

During the current fiscal year, the District replaced the existing water meters in its water system with smart meters. As a result, the District recognized a loss on the disposal of infrastructure capital assets in the amount of \$1,075,978, which is the net book value of these assets as of the beginning of the fiscal year.

The District has contractual commitments for construction projects as follows:

|                              | Contract<br>Amount | Paid To<br>Date | Remaining<br>Amount * |
|------------------------------|--------------------|-----------------|-----------------------|
| Water Plant No. 1 Well No. 2 | \$ 2,750,235       | \$ 1,545,930    | \$ 1,204,305          |

\* Includes retainage

**Note 6 – Bond Anticipation Note**

The District uses a bond anticipation note (“BAN”) to provide short-term financing for reimbursements to its developers. Despite its short-term nature, a BAN is not recorded as a fund liability, since it will not be repaid from current financial resources and will be repaid through the issuance of long-term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

At the beginning of the fiscal year, the District had a BAN outstanding in the amount of \$13,145,000. This BAN was repaid on September 10, 2025, with proceeds from the issuance of the District’s Series 2025 Unlimited Tax Bonds. On December 16, 2025, the District issued a \$13,790,000 BAN with an interest rate of 3.88% which is due on December 15, 2026.

The effect of these transactions on the District’s short-term obligations are as follows:

|                   |                             |
|-------------------|-----------------------------|
| Beginning balance | \$ 13,145,000               |
| Amounts borrowed  | 13,790,000                  |
| Amounts repaid    | <u>(13,145,000)</u>         |
| Ending balance    | <u><u>\$ 13,790,000</u></u> |

**Note 7 – Due to Developers**

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, park and recreational facilities and road improvements. Under the agreements, the developers will construct facilities on behalf of the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

***Fulshear Municipal Utility District No. 3A***  
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The District's developers have also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developers during the fiscal year are as follows:

|                                               |                             |
|-----------------------------------------------|-----------------------------|
| Due to developer, beginning of year           | \$ 47,069,499               |
| Developer reimbursements                      | (21,951,990)                |
| Developer funded construction and adjustments | <u>29,608,290</u>           |
| Due to developer, end of year                 | <u><u>\$ 54,725,799</u></u> |

In addition, the District will owe the developers approximately \$18,800,000, which is included in the schedule of contractual commitments below. The projects in this schedule are in varying stages of completion and, as previously noted, will be reported in the government-wide financial statements upon completion of construction. The exact amount due to the developer is not known until approved by the TCEQ and verified by the District's auditor.

|                                                                                             | <u>Contract<br/>Amount*</u> |
|---------------------------------------------------------------------------------------------|-----------------------------|
| Jordan Ranch Street Dedications No. 14 and 15 and<br>Woods Commercial Extension - utilities | \$ 5,120,000                |
| Jordan Ranch Section 45 - utilities and paving                                              | 2,050,000                   |
| Jordan Ranch Section 50 - utilities and paving                                              | 1,860,000                   |
| Vigavi Commercial Tract (Woods Crossing Venture)                                            | 1,730,000                   |
| Plaza at Jordan Ranch                                                                       | 1,010,000                   |
| Jordan Ranch Section 44 - landscaping                                                       | 560,000                     |
| Jordan Ranch Sections 48 and 49 - landscaping                                               | 790,000                     |
| Jordan Ranch Phase 7, Section 54 - landscaping                                              | 810,000                     |
| Jordan Ranch Linear Park Public Package                                                     | 3,260,000                   |
| Jordan Ranch Phase 7, Sections 52 and 53 - landscaping                                      | 340,000                     |
| Jordan Ranch Phase 7, Sections 51 and 55 - landscaping                                      | <u>1,270,000</u>            |
|                                                                                             | <u><u>\$ 18,800,000</u></u> |

\*Rounded to the nearest \$10,000.

**Note 8 – Lease Obligations**

The District has entered into multiple equipment lease agreements for interim wastewater treatment plants. The terms of these leases resulted in the recognition of right-to-use leased assets and lease obligations in the government-wide statements measured at the present value of future lease payments.

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
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The following table summarizes the key terms of the District's lease obligations:

| Description  | Gallons<br>Per Day | Effective<br>Date | Term    | Interest<br>Rate | Annual<br>Payment | Original<br>Liability | Remaining<br>Balance |
|--------------|--------------------|-------------------|---------|------------------|-------------------|-----------------------|----------------------|
| WWTP Phase 1 | 120,000            | 11/01/22          | 5 years | 8.0%             | \$ 171,000        | \$ 702,788            | \$ 290,696           |
| WWTP Phase 2 | 600,000            | 06/01/24          | 5 years | 8.0%             | 595,800           | 2,448,660             | 1,776,008            |
|              |                    |                   |         |                  | <u>\$ 766,800</u> | <u>\$ 3,151,448</u>   | <u>\$ 2,066,704</u>  |

Annual requirements to amortize long-term lease obligations and related interest are as follows:

| Year Ended          | Principal           | Interest          | Total               |
|---------------------|---------------------|-------------------|---------------------|
| 2026                | \$ 624,016          | \$ 142,784        | \$ 766,800          |
| 2027                | 647,213             | 91,087            | 738,300             |
| 2028                | 552,116             | 43,684            | 595,800             |
| 2029                | 243,359             | 4,891             | 248,250             |
|                     | <u>\$ 2,066,704</u> | <u>\$ 282,446</u> | <u>\$ 2,349,150</u> |
| Due within one year | <u>\$ 624,016</u>   | <u>\$ 142,784</u> | <u>\$ 766,800</u>   |

All leases contain standard lease terms that state that the leases shall automatically be extended on a month-to-month basis after the initial term of the lease, unless otherwise terminated.

The District is responsible for all ordinary expenses related to repairing and maintaining the equipment under all leases.

The allocation of lease payments between principal and interest for the current fiscal year is as follows:

| Description  | Annual<br>Payment | Principal         | Interest          |
|--------------|-------------------|-------------------|-------------------|
| WWTP Phase 1 | \$ 171,000        | \$ 141,535        | \$ 29,465         |
| WWTP Phase 2 | 595,800           | 434,655           | 161,145           |
| Totals       | <u>\$ 766,800</u> | <u>\$ 576,190</u> | <u>\$ 190,610</u> |

**Note 9 – Long-Term Debt**

Long-term debt is comprised of the following:

|                     |                       |
|---------------------|-----------------------|
| Bonds payable       | <u>\$ 149,735,000</u> |
| Due within one year | <u>\$ 3,935,000</u>   |

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

The District's bonds payable at December 31, 2025, consists of unlimited tax bonds as follows:

| Series    | Amounts<br>Outstanding | Original<br>Issue | Interest<br>Rates | Maturity Date,<br>Serially,<br>Beginning/<br>Ending | Interest<br>Payment<br>Dates | Call<br>Dates        |
|-----------|------------------------|-------------------|-------------------|-----------------------------------------------------|------------------------------|----------------------|
| 2018      | \$ 3,905,000           | \$ 4,860,000      | 2.00% - 4.00%     | September 1,<br>2019 - 2042                         | March 1,<br>September 1      | September 1,<br>2023 |
| 2018 Road | 1,285,000              | 1,600,000         | 2.00% - 4.00%     | September 1,<br>2019 - 2042                         | March 1,<br>September 1      | September 1,<br>2023 |
| 2019      | 4,765,000              | 5,670,000         | 3.00% - 5.00%     | September 1,<br>2020 - 2044                         | March 1,<br>September 1      | September 1,<br>2024 |
| 2019 Road | 2,375,000              | 2,830,000         | 2.00% - 4.50%     | September 1,<br>2020 - 2044                         | March 1,<br>September 1      | September 1,<br>2024 |
| 2020      | 4,430,000              | 5,180,000         | 2.00% - 4.00%     | September 1,<br>2021 - 2045                         | March 1,<br>September 1      | September 1,<br>2025 |
| 2020 Road | 2,200,000              | 2,575,000         | 2.00% - 4.00%     | September 1,<br>2021 - 2045                         | March 1,<br>September 1      | September 1,<br>2025 |
| 2021      | 6,480,000              | 7,355,000         | 2.00% - 4.00%     | September 1,<br>2022 - 2046                         | March 1,<br>September 1      | September 1,<br>2026 |
| 2021 Road | 1,315,000              | 1,490,000         | 2.00% - 4.50%     | September 1,<br>2022 - 2046                         | March 1,<br>September 1      | September 1,<br>2026 |
| 2022      | 11,155,000             | 11,730,000        | 3.625% - 6.125%   | September 1,<br>2024 - 2047                         | March 1,<br>September 1      | July 1,<br>2027      |
| 2022 Road | 12,975,000             | 13,650,000        | 3.625% - 6.125%   | September 1,<br>2024 - 2047                         | March 1,<br>September 1      | July 1,<br>2027      |
| 2023      | 15,480,000             | 16,275,000        | 4.00% - 6.50%     | September 1,<br>2024 - 2048                         | March 1,<br>September 1      | September 1,<br>2029 |
| 2023 Road | 20,190,000             | 21,225,000        | 4.00% - 6.50%     | September 1,<br>2024 - 2048                         | March 1,<br>September 1      | September 1,<br>2029 |
| 2024      | 11,775,000             | 12,025,000        | 3.50% - 5.50%     | September 1,<br>2025 - 2049                         | March 1,<br>September 1      | September 1,<br>2030 |
| 2024 Road | 19,580,000             | 20,000,000        | 3.50% - 5.50%     | September 1,<br>2025 - 2049                         | March 1,<br>September 1      | September 1,<br>2030 |
| 2025      | 22,675,000             | 22,675,000        | 4.00% - 6.00%     | September 1,<br>2026 - 2050                         | March 1,<br>September 1      | September 1,<br>2030 |
| 2025 Road | 9,150,000              | 9,150,000         | 4.00% - 5.00%     | September 1,<br>2026 - 2050                         | March 1,<br>September 1      | September 1,<br>2030 |
|           | <u>\$ 149,735,000</u>  |                   |                   |                                                     |                              |                      |

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

At December 31, 2025, the District had authorized but unissued bonds in the amount of \$78,530,000 for water, sewer and drainage facilities and \$246,450,000 for the refunding of such bonds; \$15,380,000 for road improvements and \$131,850,000 for the refunding of such bonds; and \$38,000,000 for park and recreational facilities.

On September 10, 2025, the District issued its \$22,675,000 Series 2025 Unlimited Tax Bonds at a net effective interest rate of 4.858872%. Proceeds of the bonds were used to (1) reimburse the developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds; (2) to repay a \$13,145,000 BAN issued in the previous fiscal year; and (3) to pay capitalized interest into the Debt Service Fund.

On September 10, 2025, the District issued its \$9,150,000 Series 2025 Unlimited Tax Road Bonds at a net effective interest rate of 4.846697%. Proceeds of the bonds were used to reimburse the developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and to pay capitalized interest into the Debt Service Fund.

The change in the District's long-term debt during the year is as follows:

|                                  |                              |
|----------------------------------|------------------------------|
| Bonds payable, beginning of year | \$ 121,070,000               |
| Bonds issued                     | 31,825,000                   |
| Bonds retired                    | <u>(3,160,000)</u>           |
| Bonds payable, end of year       | <u><u>\$ 149,735,000</u></u> |

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

As of December 31, 2025, annual debt service requirements on bonds outstanding are as follows:

| Year | Principal             | Interest             | Totals                |
|------|-----------------------|----------------------|-----------------------|
| 2026 | \$ 3,935,000          | \$ 6,218,638         | \$ 10,153,638         |
| 2027 | 4,190,000             | 6,055,226            | 10,245,226            |
| 2028 | 4,365,000             | 5,843,633            | 10,208,633            |
| 2029 | 4,550,000             | 5,631,313            | 10,181,313            |
| 2030 | 4,745,000             | 5,409,403            | 10,154,403            |
| 2031 | 4,950,000             | 5,175,913            | 10,125,913            |
| 2032 | 5,165,000             | 4,957,445            | 10,122,445            |
| 2033 | 5,395,000             | 4,758,895            | 10,153,895            |
| 2034 | 5,630,000             | 4,552,282            | 10,182,282            |
| 2035 | 5,860,000             | 4,336,075            | 10,196,075            |
| 2036 | 6,105,000             | 4,110,443            | 10,215,443            |
| 2037 | 6,390,000             | 3,874,495            | 10,264,495            |
| 2038 | 6,650,000             | 3,626,988            | 10,276,988            |
| 2039 | 6,940,000             | 3,363,326            | 10,303,326            |
| 2040 | 7,250,000             | 3,083,508            | 10,333,508            |
| 2041 | 7,565,000             | 2,798,399            | 10,363,399            |
| 2042 | 7,900,000             | 2,500,174            | 10,400,174            |
| 2043 | 7,810,000             | 2,183,943            | 9,993,943             |
| 2044 | 8,145,000             | 1,868,574            | 10,013,574            |
| 2045 | 7,960,000             | 1,545,499            | 9,505,499             |
| 2046 | 7,870,000             | 1,224,299            | 9,094,299             |
| 2047 | 7,740,000             | 897,142              | 8,637,142             |
| 2048 | 6,345,000             | 565,980              | 6,910,980             |
| 2049 | 4,120,000             | 283,025              | 4,403,025             |
| 2050 | 2,160,000             | 108,000              | 2,268,000             |
|      | <u>\$ 149,735,000</u> | <u>\$ 84,972,618</u> | <u>\$ 234,707,618</u> |

**Note 10 – Property Taxes**

On November 15, 2015, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.50 per \$100 of assessed value, for use in financing road improvements limited to \$1.50 per \$100 of assessed value, and for financing parks and recreational improvements limited to \$0.10 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Fort Bend Central Appraisal District and Waller County 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

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2025 fiscal year was financed through the 2024 tax levy, pursuant to which the District levied property taxes of \$1.15 per \$100 of assessed value, of which \$0.31 was allocated to maintenance and operations, \$0.415 was allocated to water, sewer, and drainage debt service, and \$0.425 was allocated to road debt service. The resulting tax levy was \$10,587,072 on the adjusted taxable value of \$920,614,999.

Property taxes levied each October are intended to finance the next fiscal year and are, therefore, not considered available for the District's use during the current fiscal year. Consequently, 2025 levy collections in the amount of \$1,582,031 have been included with deferred property taxes and are recorded as deferred inflows of resources on the *Governmental Funds Balance Sheet*. On the government-wide *Statement of Net Position*, the full 2025 tax levy of \$12,647,755 is reported as deferred inflows. These amounts will be recognized as revenue in 2026.

Property taxes receivable, at December 31, 2025, consisted of the following:

|                                 |                            |
|---------------------------------|----------------------------|
| Current year taxes receivable   | \$ 11,065,724              |
| Prior years taxes receivable    | 60,425                     |
|                                 | <hr/> 11,126,149           |
| Penalty and interest receivable | 14,907                     |
| Property taxes receivable       | <hr/> <u>\$ 11,141,056</u> |

**Note 11 – Transfers to Other Governments**

Fort Bend and Waller Counties assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Fort Bend and Waller Counties, not the District. The estimated cost of each road project is recorded as a transfer to other governments upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended December 31, 2025, the District recorded transfers to other governments in the amount of \$9,204,499 for road facilities constructed by developers within the District.

**Note 12 – North Fort Bend Water Authority**

The District is within the boundaries of the North Fort Bend Water Authority (the "Authority"), which was created by the Texas Legislature. The Authority is a political subdivision of the State of Texas, governed by an elected five-member Board of Directors. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulates groundwater withdrawal.

As of December 31, 2025 the Authority's rates are \$4.55 per 1,000 gallons of water imported from WCF MUD's wells and supplied to the District. This rate is subject to future increases. The District

***Fulshear Municipal Utility District No. 3A***  
***Notes to Financial Statements***  
***December 31, 2025***

passes these costs on to its customers plus 10%. During the current year, the District recognized \$2,042,365 in revenues and \$1,894,270 in expenditures related to regional water authority import fees.

**Note 13 – Utility Agreement with the City of Fulshear**

The District and the City of Fulshear (the “City”) entered into a Utility Agreement effective March 2, 2015. Pursuant to the Agreement, the District will provide water supply and distribution, wastewater collection and treatment and drainage services to serve residents within the District. The City had the option to construct a wastewater conveyance trunkline to extend to the periphery of the District and provide wastewater service to the District; however, the deadline to do so has expired and the District now provides wastewater services within its boundaries on a permanent basis. The term of the agreement is 45 years.

**Note 14 – Agreement with Willow Creek Farms Municipal Utility District**

*Water Supply*

Water supply to the District is provided in part pursuant to an agreement with Willow Creek Farms Municipal Utility District (“WCF MUD”) for joint water plant operations, which was originally executed June 11, 2015, by MUD 3B and has been subsequently amended to include MUD 3A. The agreement establishes the terms and conditions under which the participants will share the costs associated with the construction, expansion and operation of the joint facilities and is effective for a term of 40 years. Pursuant to the agreement, the District owns 49% of the capacity in the joint water plant.

The District has paid capacity charges to WCF MUD for its share of the cost of construction of the joint water plant. The District is billed monthly for maintenance and operating costs based on the District’s pro-rata share of gallons used by the District to the total gallons produced by the joint water plant for the month. During the current fiscal year, the District recorded expenditures in the amount of \$186,720 for joint water plant operations.

*Wastewater Treatment*

Wastewater treatment for the District is provided in part pursuant to an agreement with WCF MUD for joint wastewater treatment services, which was originally executed by MUD 3B on June 11, 2015, and has been subsequently amended to include MUD 3A. The agreement establishes the terms under which the participants will share the costs associated with the construction, expansion and operation of the joint facilities. The term of the agreement is 5 years from the effective date with the option to renew for successive one-year terms. Pursuant to the agreement, the District owns 37% of the capacity in the plant.

The District has paid capacity charges to WCF MUD for its share of the cost of construction of the joint wastewater treatment plant. The District is billed monthly for maintenance and operating costs based on the District’s proportionate share of ownership capacity in the plant. During the current fiscal year, the District recorded expenditures in the amount of \$422,988 for joint wastewater treatment plant operations.

***Fulshear Municipal Utility District No. 3A  
Notes to Financial Statements  
December 31, 2025***

**Note 15 – 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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## **Required Supplementary Information**

***Fulshear Municipal Utility District No. 3A***  
***Required Supplementary Information - Budgetary Comparison Schedule - General Fund***  
***For the Year Ended December 31, 2025***

|                                   | Original and<br>Final Budget | Actual              | Variance<br>Positive<br>(Negative) |
|-----------------------------------|------------------------------|---------------------|------------------------------------|
| <b>Revenues</b>                   |                              |                     |                                    |
| Water service                     | \$ 1,050,000                 | \$ 718,272          | \$ (331,728)                       |
| Sewer service                     | 1,050,000                    | 1,645,044           | 595,044                            |
| Property taxes                    | 2,821,241                    | 2,852,746           | 31,505                             |
| Penalties and interest            | 65,000                       | 47,781              | (17,219)                           |
| Regional water authority fees     | 1,500,000                    | 2,042,365           | 542,365                            |
| Tap connection and inspection     | 600,000                      | 1,687,846           | 1,087,846                          |
| Capital recovery fees             |                              | 194,392             | 194,392                            |
| Miscellaneous                     |                              | 22,653              | 22,653                             |
| Investment earnings               | 20,000                       | 375,389             | 355,389                            |
| Total Revenues                    | <u>7,106,241</u>             | <u>9,586,488</u>    | <u>2,480,247</u>                   |
| <b>Expenditures</b>               |                              |                     |                                    |
| Current service operations        |                              |                     |                                    |
| Purchased services                | 698,152                      | 609,708             | 88,444                             |
| Professional fees                 | 273,000                      | 400,227             | (127,227)                          |
| Contracted services               | 878,000                      | 1,347,793           | (469,793)                          |
| Repairs and maintenance           | 774,000                      | 965,640             | (191,640)                          |
| Utilities                         | 400,000                      | 415,354             | (15,354)                           |
| Regional water authority fees     | 1,200,000                    | 1,894,270           | (694,270)                          |
| Administrative                    | 175,500                      | 143,442             | 32,058                             |
| Other                             | 34,850                       | 30,510              | 4,340                              |
| Capital outlay                    | 1,338,900                    | 2,181,294           | (842,394)                          |
| Debt service                      |                              |                     |                                    |
| Lease - principal                 | 766,800                      | 576,190             | 190,610                            |
| Lease - interest                  |                              | 190,610             | (190,610)                          |
| Total Expenditures                | <u>6,539,202</u>             | <u>8,755,038</u>    | <u>(2,215,836)</u>                 |
| <b>Revenues Over Expenditures</b> | 567,039                      | 831,450             | 264,411                            |
| <b>Other Financing Sources</b>    |                              |                     |                                    |
| Internal transfers                |                              | 12,439              | 12,439                             |
| <b>Net Change in Fund Balance</b> | 567,039                      | 843,889             | 276,850                            |
| <b>Fund Balance</b>               |                              |                     |                                    |
| Beginning of the year             | 8,190,893                    | 8,190,893           |                                    |
| <b>End of the year</b>            | <u>\$ 8,757,932</u>          | <u>\$ 9,034,782</u> | <u>\$ 276,850</u>                  |

***Fulshear Municipal Utility District No. 3A***  
***Notes to Required Supplementary Information***  
***December 31, 2025***

**Budgets and Budgetary Accounting**

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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## **Texas Supplementary Information**

**Fulshear Municipal Utility District No. 3A**  
**TSI-1. Services and Rates**  
**December 31, 2025**

1. Services provided by the District During the Fiscal Year:

- ☒ Retail Water      ☐ Wholesale Water      ☒ Solid Waste / Garbage      ☒ Drainage  
☒ Retail Wastewater      ☐ Wholesale Wastewater      ☐ Flood Control      ☐ Irrigation  
☒ Parks / Recreation      ☐ Fire Protection      ☒ Roads      ☐ Security  
☒ Participates in joint venture, regional system and/or wastewater service (other than emergency intercon)  
☐ Other (Specify): \_\_\_\_\_

2. Retail Service Providers

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

|             | Minimum<br>Charge | Minimum<br>Usage | Flat Rate<br>(Y / N) | Rate per 1,000<br>Gallons Over<br>Minimum Usage | Usage Levels |             |
|-------------|-------------------|------------------|----------------------|-------------------------------------------------|--------------|-------------|
| Water:      | \$ 18.00          | N/A              | N                    | \$ 1.20                                         | 10,001       | to 15,000   |
|             |                   |                  |                      | \$ 1.50                                         | 15,001       | to 20,000   |
|             |                   |                  |                      | \$ 1.75                                         | 20,001       | to 25,000   |
|             |                   |                  |                      | \$ 2.00                                         | 25,001       | to no limit |
| Wastewater: | \$ 32.50          | N/A              | Y                    |                                                 |              | to          |
| Surcharge:  | \$ -              | 0                | N                    | \$ 5.01                                         | 0            | to no limit |

District employs winter averaging for wastewater usage? ☐ Yes ☒ No

Total charges per 10,000 gallons usage: Water \$ 68.10 Wastewater \$ 32.50

b. Water and Wastewater Retail Connections:

| Meter Size       | Total<br>Connections | Active<br>Connections | ESFC Factor | Active<br>ESFC'S |
|------------------|----------------------|-----------------------|-------------|------------------|
| Unmetered        |                      |                       | x 1.0       |                  |
| less than 3/4"   | 1,867                | 1,860                 | x 1.0       | 1,860            |
| 1"               | 761                  | 754                   | x 2.5       | 1,885            |
| 1.5"             | 11                   | 11                    | x 5.0       | 55               |
| 2"               | 107                  | 107                   | x 8.0       | 856              |
| 3"               | 1                    | 1                     | x 15.0      | 15               |
| 4"               | 1                    | 1                     | x 25.0      | 25               |
| 6"               | 1                    | 1                     | x 50.0      | 50               |
| 8"               | 4                    | 4                     | x 80.0      | 320              |
| 10"              |                      |                       | x 115.0     |                  |
| Total Water      | 2,753                | 2,739                 |             | 5,066            |
| Total Wastewater | 2,612                | 2,598                 | x 1.0       | 2,598            |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-1. Services and Rates***  
***December 31, 2025***

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

|                              |                    |                                   |
|------------------------------|--------------------|-----------------------------------|
| Gallons pumped into system:  | <u>410,432,000</u> | Water Accountability Ratio:       |
| Gallons billed to customers: | <u>423,438,000</u> | (Gallons billed / Gallons pumped) |
|                              |                    | <u>103.17%</u>                    |

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ☐ No ☒

If yes, Date of the most recent commission Order: \_\_\_\_\_

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

If yes, Date of the most recent commission Order: \_\_\_\_\_

5. Location of District:

Is the District located entirely within one county? Yes ☐ No ☒

County(ies) in which the District is located: Fort Bend and Waller Counties

Is the District located within a city? Entirely ☐ Partly ☐ Not at all ☒

City(ies) in which the District is located: \_\_\_\_\_

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

Entirely ☒ Partly ☐ Not at all ☐

ETJs in which the District is located: City of Fulshear

Are Board members appointed by an office outside the district? Yes ☐ No ☒

If Yes, by whom? \_\_\_\_\_

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-2. General Fund Expenditures***  
***For the Year Ended December 31, 2025***

|                                |                            |
|--------------------------------|----------------------------|
| Purchased services             | <u>\$ 609,708</u>          |
| Professional fees              |                            |
| Legal                          | 103,439                    |
| Audit                          | 18,000                     |
| Engineering                    | 278,788                    |
|                                | <u>400,227</u>             |
| Contracted services            |                            |
| Bookkeeping                    | 17,231                     |
| Operator                       | 130,304                    |
| Garbage collection             | 654,542                    |
| Inspection                     | 236,484                    |
| Security                       | 238,720                    |
| Sludge removal                 | 70,512                     |
|                                | <u>1,347,793</u>           |
| Repairs and maintenance        | <u>965,640</u>             |
| Utilities                      | <u>415,354</u>             |
| Regional water authority costs | <u>1,894,270</u>           |
| Administrative                 |                            |
| Directors fees                 | 13,481                     |
| Printing and office supplies   | 100,483                    |
| Insurance                      | 16,828                     |
| Other                          | 12,650                     |
|                                | <u>143,442</u>             |
| Other                          | <u>30,510</u>              |
| Capital outlay                 | <u>2,181,294</u>           |
| Debt service                   |                            |
| Lease - principal              | 576,190                    |
| Lease - interest               | 190,610                    |
|                                | <u>766,800</u>             |
| Total expenditures             | <u><u>\$ 8,755,038</u></u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-3. Investments***  
***December 31, 2025***

| <u>Fund</u>            | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Balance at End of Year</u> | <u>Interest Receivable</u> |
|------------------------|----------------------|----------------------|-------------------------------|----------------------------|
| General                |                      |                      |                               |                            |
| TexSTAR                | Variable             | N/A                  | \$ 6,606,398                  | \$ -                       |
| Certificate of deposit | 4.05%                | 03/23/26             | 240,353                       | 2,641                      |
| Certificate of deposit | 4.11%                | 04/03/26             | 235,000                       | 2,355                      |
| Certificate of deposit | 4.00%                | 03/10/26             | 241,285                       | 555                        |
| Certificate of deposit | 4.05%                | 03/22/26             | 243,257                       | 243                        |
|                        |                      |                      | <u>7,566,293</u>              | <u>5,794</u>               |
| Debt Service           |                      |                      |                               |                            |
| TexSTAR                | Variable             | N/A                  | 1,900,003                     |                            |
| TexSTAR                | Variable             | N/A                  | 1,666,011                     |                            |
|                        |                      |                      | <u>3,566,014</u>              |                            |
| Capital Projects       |                      |                      |                               |                            |
| TexSTAR                | Variable             | N/A                  | 1,983,710                     |                            |
| TexSTAR                | Variable             | N/A                  | 7,869                         |                            |
|                        |                      |                      | <u>1,991,579</u>              |                            |
| Total - All Funds      |                      |                      | <u><u>\$ 13,123,886</u></u>   | <u><u>\$ 5,794</u></u>     |

See accompanying auditor's report.

**Fulshear Municipal Utility District No. 3A**  
**TSI-4. Taxes Levied and Receivable**  
**December 31, 2025**

|                                                       | Maintenance<br>Taxes | Debt Service<br>Taxes | Road Debt<br>Service Taxes | Totals         |
|-------------------------------------------------------|----------------------|-----------------------|----------------------------|----------------|
| Taxes Receivable, Beginning of Year                   | \$ 2,409,183         | \$ 3,221,166          | \$ 3,294,706               | \$ 8,925,055   |
| Adjustments to Prior Year Tax Levy                    | (26,742)             | (34,757)              | (34,449)                   | (95,948)       |
| Adjusted Receivable                                   | 2,382,441            | 3,186,409             | 3,260,257                  | 8,829,107      |
| 2025 Original Tax Levy                                | 2,806,518            | 5,276,253             | 4,490,428                  | 12,573,199     |
| Adjustments                                           | 16,642               | 31,287                | 26,627                     | 74,556         |
| Adjusted Tax Levy                                     | 2,823,160            | 5,307,540             | 4,517,055                  | 12,647,755     |
| Rollback Taxes                                        | 4,354                | 3,444                 | 1,300                      | 9,098          |
| Total to be accounted for                             | 5,209,955            | 8,497,393             | 7,778,612                  | 21,485,960     |
| Tax collections:                                      |                      |                       |                            |                |
| Current year                                          | 353,132              | 663,888               | 565,011                    | 1,582,031      |
| Prior years                                           | 2,369,425            | 3,167,925             | 3,240,430                  | 8,777,780      |
| Total Collections                                     | 2,722,557            | 3,831,813             | 3,805,441                  | 10,359,811     |
| Taxes Receivable, End of Year                         | \$ 2,487,398         | \$ 4,665,580          | \$ 3,973,171               | \$ 11,126,149  |
| Taxes Receivable, By Years                            |                      |                       |                            |                |
| 2025                                                  | \$ 2,470,028         | \$ 4,643,652          | \$ 3,952,044               | \$ 11,065,724  |
| 2024                                                  | 11,177               | 14,963                | 15,324                     | 41,464         |
| 2023                                                  | 4,476                | 5,323                 | 4,718                      | 14,517         |
| 2022 and prior                                        | 1,717                | 1,642                 | 1,085                      | 4,444          |
| Taxes Receivable, End of Year                         | \$ 2,487,398         | \$ 4,665,580          | \$ 3,973,171               | \$ 11,126,149  |
|                                                       | 2025                 | 2024                  | 2023                       | 2022           |
| Property Valuations:                                  |                      |                       |                            |                |
| Land                                                  | \$ 236,870,070       | \$ 224,781,533        | \$ 161,891,149             | \$ 102,655,690 |
| Improvements                                          | 959,770,399          | 742,083,725           | 569,231,279                | 331,369,712    |
| Personal Property                                     | 2,609,467            | 3,137,606             | 1,458,316                  | 861,962        |
| Exemptions                                            | (69,986,107)         | (49,387,865)          | (31,021,003)               | (22,331,411)   |
| Total Property Valuations                             | \$1,129,263,829      | \$ 920,614,999        | \$ 701,559,741             | \$ 412,555,953 |
| Tax Rates per \$100 Valuation:                        |                      |                       |                            |                |
| Maintenance tax rates                                 | \$ 0.25              | \$ 0.310              | \$ 0.37                    | \$ 0.50        |
| WSD debt service tax rates                            | 0.47                 | 0.415                 | 0.44                       | 0.48           |
| Road debt service tax rates                           | 0.40                 | 0.425                 | 0.39                       | 0.32           |
| Total Tax Rates per \$100 Valuation                   | \$ 1.12              | \$ 1.150              | \$ 1.20                    | \$ 1.30        |
| Adjusted Tax Levy:                                    | \$ 12,647,755        | \$ 10,587,072         | \$ 8,418,717               | \$ 5,363,227   |
| Percentage of Taxes Collected<br>to Taxes Levied **** | 12.51%               | 99.61%                | 99.83%                     | 99.92%         |

\* Maximum Maintenance Tax Rate Approved by Voters: \$1.50 on November 12, 2015

\*\* Maximum Road Tax Rate Approved by Voters: \$1.50 on November 12, 2015

\*\*\*Maximum Park Tax Rate Approved by Voters: \$0.10 on November 12, 2015

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

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2018--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 160,000                   | \$ 144,519                              | \$ 304,519          |
| 2027                              | 170,000                      | 139,719                                 | 309,719             |
| 2028                              | 175,000                      | 134,449                                 | 309,449             |
| 2029                              | 185,000                      | 128,849                                 | 313,849             |
| 2030                              | 190,000                      | 122,744                                 | 312,744             |
| 2031                              | 200,000                      | 115,144                                 | 315,144             |
| 2032                              | 205,000                      | 107,144                                 | 312,144             |
| 2033                              | 215,000                      | 98,944                                  | 313,944             |
| 2034                              | 225,000                      | 91,419                                  | 316,419             |
| 2035                              | 235,000                      | 83,263                                  | 318,263             |
| 2036                              | 245,000                      | 74,744                                  | 319,744             |
| 2037                              | 255,000                      | 65,556                                  | 320,556             |
| 2038                              | 265,000                      | 55,994                                  | 320,994             |
| 2039                              | 275,000                      | 45,725                                  | 320,725             |
| 2040                              | 290,000                      | 35,069                                  | 325,069             |
| 2041                              | 300,000                      | 23,831                                  | 323,831             |
| 2042                              | 315,000                      | 12,206                                  | 327,206             |
|                                   | <u>\$ 3,905,000</u>          | <u>\$ 1,479,319</u>                     | <u>\$ 5,384,319</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2018 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 55,000                    | \$ 47,120                               | \$ 102,120          |
| 2027                              | 55,000                       | 45,470                                  | 100,470             |
| 2028                              | 60,000                       | 43,765                                  | 103,765             |
| 2029                              | 60,000                       | 41,845                                  | 101,845             |
| 2030                              | 60,000                       | 39,865                                  | 99,865              |
| 2031                              | 65,000                       | 37,825                                  | 102,825             |
| 2032                              | 70,000                       | 35,550                                  | 105,550             |
| 2033                              | 70,000                       | 33,100                                  | 103,100             |
| 2034                              | 75,000                       | 30,580                                  | 105,580             |
| 2035                              | 75,000                       | 27,880                                  | 102,880             |
| 2036                              | 80,000                       | 25,105                                  | 105,105             |
| 2037                              | 85,000                       | 22,145                                  | 107,145             |
| 2038                              | 85,000                       | 19,000                                  | 104,000             |
| 2039                              | 90,000                       | 15,600                                  | 105,600             |
| 2040                              | 95,000                       | 12,000                                  | 107,000             |
| 2041                              | 100,000                      | 8,200                                   | 108,200             |
| 2042                              | 105,000                      | 4,200                                   | 109,200             |
|                                   | <u>\$ 1,285,000</u>          | <u>\$ 489,250</u>                       | <u>\$ 1,774,250</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2019--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 175,000                   | \$ 142,950                              | \$ 317,950          |
| 2027                              | 185,000                      | 137,700                                 | 322,700             |
| 2028                              | 190,000                      | 132,150                                 | 322,150             |
| 2029                              | 195,000                      | 126,450                                 | 321,450             |
| 2030                              | 205,000                      | 120,600                                 | 325,600             |
| 2031                              | 210,000                      | 114,450                                 | 324,450             |
| 2032                              | 220,000                      | 108,150                                 | 328,150             |
| 2033                              | 230,000                      | 101,550                                 | 331,550             |
| 2034                              | 235,000                      | 94,650                                  | 329,650             |
| 2035                              | 245,000                      | 87,600                                  | 332,600             |
| 2036                              | 255,000                      | 80,250                                  | 335,250             |
| 2037                              | 265,000                      | 72,600                                  | 337,600             |
| 2038                              | 275,000                      | 64,650                                  | 339,650             |
| 2039                              | 285,000                      | 56,400                                  | 341,400             |
| 2040                              | 295,000                      | 47,850                                  | 342,850             |
| 2041                              | 305,000                      | 39,000                                  | 344,000             |
| 2042                              | 320,000                      | 29,850                                  | 349,850             |
| 2043                              | 330,000                      | 20,250                                  | 350,250             |
| 2044                              | 345,000                      | 10,350                                  | 355,350             |
|                                   | <u>\$ 4,765,000</u>          | <u>\$ 1,587,450</u>                     | <u>\$ 6,352,450</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2019 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 90,000                    | \$ 64,350                               | \$ 154,350          |
| 2027                              | 90,000                       | 62,550                                  | 152,550             |
| 2028                              | 95,000                       | 60,750                                  | 155,750             |
| 2029                              | 100,000                      | 58,850                                  | 158,850             |
| 2030                              | 100,000                      | 56,850                                  | 156,850             |
| 2031                              | 105,000                      | 54,600                                  | 159,600             |
| 2032                              | 110,000                      | 52,106                                  | 162,106             |
| 2033                              | 115,000                      | 49,356                                  | 164,356             |
| 2034                              | 120,000                      | 46,338                                  | 166,338             |
| 2035                              | 125,000                      | 43,188                                  | 168,188             |
| 2036                              | 125,000                      | 39,750                                  | 164,750             |
| 2037                              | 130,000                      | 36,000                                  | 166,000             |
| 2038                              | 135,000                      | 32,100                                  | 167,100             |
| 2039                              | 140,000                      | 28,050                                  | 168,050             |
| 2040                              | 145,000                      | 23,850                                  | 168,850             |
| 2041                              | 155,000                      | 19,500                                  | 174,500             |
| 2042                              | 160,000                      | 14,850                                  | 174,850             |
| 2043                              | 165,000                      | 10,050                                  | 175,050             |
| 2044                              | 170,000                      | 5,100                                   | 175,100             |
|                                   | <u>\$ 2,375,000</u>          | <u>\$ 758,188</u>                       | <u>\$ 3,133,188</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2020--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 165,000                   | \$ 95,919                               | \$ 260,919          |
| 2027                              | 170,000                      | 92,618                                  | 262,618             |
| 2028                              | 175,000                      | 89,218                                  | 264,218             |
| 2029                              | 180,000                      | 85,718                                  | 265,718             |
| 2030                              | 185,000                      | 82,118                                  | 267,118             |
| 2031                              | 190,000                      | 78,418                                  | 268,418             |
| 2032                              | 195,000                      | 74,619                                  | 269,619             |
| 2033                              | 205,000                      | 70,719                                  | 275,719             |
| 2034                              | 210,000                      | 66,619                                  | 276,619             |
| 2035                              | 215,000                      | 62,419                                  | 277,419             |
| 2036                              | 220,000                      | 58,119                                  | 278,119             |
| 2037                              | 230,000                      | 53,719                                  | 283,719             |
| 2038                              | 235,000                      | 48,831                                  | 283,831             |
| 2039                              | 240,000                      | 43,838                                  | 283,838             |
| 2040                              | 250,000                      | 38,438                                  | 288,438             |
| 2041                              | 255,000                      | 32,813                                  | 287,813             |
| 2042                              | 265,000                      | 27,075                                  | 292,075             |
| 2043                              | 275,000                      | 20,781                                  | 295,781             |
| 2044                              | 280,000                      | 14,250                                  | 294,250             |
| 2045                              | 290,000                      | 7,250                                   | 297,250             |
|                                   | <u>\$ 4,430,000</u>          | <u>\$ 1,143,499</u>                     | <u>\$ 5,573,499</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2020 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 80,000                    | \$ 46,832                               | \$ 126,832          |
| 2027                              | 85,000                       | 45,231                                  | 130,231             |
| 2028                              | 85,000                       | 43,531                                  | 128,531             |
| 2029                              | 90,000                       | 41,831                                  | 131,831             |
| 2030                              | 90,000                       | 40,031                                  | 130,031             |
| 2031                              | 95,000                       | 38,231                                  | 133,231             |
| 2032                              | 100,000                      | 36,331                                  | 136,331             |
| 2033                              | 100,000                      | 34,331                                  | 134,331             |
| 2034                              | 105,000                      | 32,331                                  | 137,331             |
| 2035                              | 105,000                      | 30,231                                  | 135,231             |
| 2036                              | 110,000                      | 28,131                                  | 138,131             |
| 2037                              | 115,000                      | 25,931                                  | 140,931             |
| 2038                              | 115,000                      | 23,631                                  | 138,631             |
| 2039                              | 120,000                      | 21,188                                  | 141,188             |
| 2040                              | 125,000                      | 18,638                                  | 143,638             |
| 2041                              | 130,000                      | 15,825                                  | 145,825             |
| 2042                              | 130,000                      | 12,900                                  | 142,900             |
| 2043                              | 135,000                      | 9,975                                   | 144,975             |
| 2044                              | 140,000                      | 6,769                                   | 146,769             |
| 2045                              | 145,000                      | 3,444                                   | 148,444             |
|                                   | <u>\$ 2,200,000</u>          | <u>\$ 555,343</u>                       | <u>\$ 2,755,343</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2021--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 240,000                   | \$ 135,944                              | \$ 375,944          |
| 2027                              | 245,000                      | 131,144                                 | 376,144             |
| 2028                              | 250,000                      | 126,244                                 | 376,244             |
| 2029                              | 255,000                      | 121,244                                 | 376,244             |
| 2030                              | 265,000                      | 116,144                                 | 381,144             |
| 2031                              | 270,000                      | 110,844                                 | 380,844             |
| 2032                              | 275,000                      | 105,444                                 | 380,444             |
| 2033                              | 285,000                      | 99,944                                  | 384,944             |
| 2034                              | 290,000                      | 94,244                                  | 384,244             |
| 2035                              | 295,000                      | 88,444                                  | 383,444             |
| 2036                              | 305,000                      | 82,544                                  | 387,544             |
| 2037                              | 315,000                      | 76,444                                  | 391,444             |
| 2038                              | 320,000                      | 70,144                                  | 390,144             |
| 2039                              | 330,000                      | 63,744                                  | 393,744             |
| 2040                              | 335,000                      | 56,731                                  | 391,731             |
| 2041                              | 345,000                      | 49,612                                  | 394,612             |
| 2042                              | 355,000                      | 41,850                                  | 396,850             |
| 2043                              | 365,000                      | 33,862                                  | 398,862             |
| 2044                              | 370,000                      | 25,650                                  | 395,650             |
| 2045                              | 380,000                      | 17,325                                  | 397,325             |
| 2046                              | 390,000                      | 8,775                                   | 398,775             |
|                                   | <u>\$ 6,480,000</u>          | <u>\$ 1,656,321</u>                     | <u>\$ 8,136,321</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2021 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total               |
|-----------------------------------|------------------------------|-----------------------------------------|---------------------|
| 2026                              | \$ 50,000                    | \$ 29,325                               | \$ 79,325           |
| 2027                              | 50,000                       | 27,075                                  | 77,075              |
| 2028                              | 50,000                       | 26,075                                  | 76,075              |
| 2029                              | 50,000                       | 25,075                                  | 75,075              |
| 2030                              | 55,000                       | 24,075                                  | 79,075              |
| 2031                              | 55,000                       | 22,975                                  | 77,975              |
| 2032                              | 55,000                       | 21,875                                  | 76,875              |
| 2033                              | 60,000                       | 20,775                                  | 80,775              |
| 2034                              | 60,000                       | 19,575                                  | 79,575              |
| 2035                              | 60,000                       | 18,375                                  | 78,375              |
| 2036                              | 60,000                       | 17,175                                  | 77,175              |
| 2037                              | 65,000                       | 15,975                                  | 80,975              |
| 2038                              | 65,000                       | 14,513                                  | 79,513              |
| 2039                              | 65,000                       | 13,050                                  | 78,050              |
| 2040                              | 70,000                       | 11,588                                  | 81,588              |
| 2041                              | 70,000                       | 10,012                                  | 80,012              |
| 2042                              | 70,000                       | 8,437                                   | 78,437              |
| 2043                              | 75,000                       | 6,863                                   | 81,863              |
| 2044                              | 75,000                       | 5,175                                   | 80,175              |
| 2045                              | 75,000                       | 3,487                                   | 78,487              |
| 2046                              | 80,000                       | 1,800                                   | 81,800              |
|                                   | <u>\$ 1,315,000</u>          | <u>\$ 343,275</u>                       | <u>\$ 1,658,275</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2022--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 310,000                   | \$ 506,630                              | \$ 816,630           |
| 2027                              | 320,000                      | 487,644                                 | 807,644              |
| 2028                              | 335,000                      | 468,044                                 | 803,044              |
| 2029                              | 350,000                      | 451,294                                 | 801,294              |
| 2030                              | 365,000                      | 433,794                                 | 798,794              |
| 2031                              | 385,000                      | 415,544                                 | 800,544              |
| 2032                              | 400,000                      | 396,294                                 | 796,294              |
| 2033                              | 420,000                      | 376,294                                 | 796,294              |
| 2034                              | 435,000                      | 355,294                                 | 790,294              |
| 2035                              | 455,000                      | 333,544                                 | 788,544              |
| 2036                              | 475,000                      | 310,794                                 | 785,794              |
| 2037                              | 500,000                      | 287,044                                 | 787,044              |
| 2038                              | 520,000                      | 262,044                                 | 782,044              |
| 2039                              | 545,000                      | 236,044                                 | 781,044              |
| 2040                              | 570,000                      | 208,794                                 | 778,794              |
| 2041                              | 595,000                      | 184,568                                 | 779,568              |
| 2042                              | 620,000                      | 159,281                                 | 779,281              |
| 2043                              | 650,000                      | 132,930                                 | 782,930              |
| 2044                              | 680,000                      | 105,306                                 | 785,306              |
| 2045                              | 710,000                      | 80,656                                  | 790,656              |
| 2046                              | 740,000                      | 54,919                                  | 794,919              |
| 2047                              | 775,000                      | 28,094                                  | 803,094              |
|                                   | <u>\$ 11,155,000</u>         | <u>\$ 6,274,850</u>                     | <u>\$ 17,429,850</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2022 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 360,000                   | \$ 589,387                              | \$ 949,387           |
| 2027                              | 375,000                      | 567,337                                 | 942,337              |
| 2028                              | 390,000                      | 544,369                                 | 934,369              |
| 2029                              | 410,000                      | 524,869                                 | 934,869              |
| 2030                              | 425,000                      | 504,369                                 | 929,369              |
| 2031                              | 445,000                      | 483,119                                 | 928,119              |
| 2032                              | 465,000                      | 460,869                                 | 925,869              |
| 2033                              | 485,000                      | 437,619                                 | 922,619              |
| 2034                              | 510,000                      | 413,369                                 | 923,369              |
| 2035                              | 530,000                      | 387,869                                 | 917,869              |
| 2036                              | 555,000                      | 361,369                                 | 916,369              |
| 2037                              | 580,000                      | 333,619                                 | 913,619              |
| 2038                              | 605,000                      | 304,619                                 | 909,619              |
| 2039                              | 635,000                      | 274,369                                 | 909,369              |
| 2040                              | 660,000                      | 242,619                                 | 902,619              |
| 2041                              | 690,000                      | 214,569                                 | 904,569              |
| 2042                              | 725,000                      | 185,243                                 | 910,243              |
| 2043                              | 755,000                      | 154,431                                 | 909,431              |
| 2044                              | 790,000                      | 122,343                                 | 912,343              |
| 2045                              | 825,000                      | 93,706                                  | 918,706              |
| 2046                              | 860,000                      | 63,800                                  | 923,800              |
| 2047                              | 900,000                      | 32,625                                  | 932,625              |
|                                   | <u>\$ 12,975,000</u>         | <u>\$ 7,296,488</u>                     | <u>\$ 20,271,488</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2023--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 400,000                   | \$ 722,613                              | \$ 1,122,613         |
| 2027                              | 415,000                      | 696,613                                 | 1,111,613            |
| 2028                              | 435,000                      | 669,638                                 | 1,104,638            |
| 2029                              | 455,000                      | 641,363                                 | 1,096,363            |
| 2030                              | 475,000                      | 611,788                                 | 1,086,788            |
| 2031                              | 495,000                      | 580,913                                 | 1,075,913            |
| 2032                              | 520,000                      | 548,738                                 | 1,068,738            |
| 2033                              | 540,000                      | 527,938                                 | 1,067,938            |
| 2034                              | 565,000                      | 506,338                                 | 1,071,338            |
| 2035                              | 590,000                      | 483,737                                 | 1,073,737            |
| 2036                              | 615,000                      | 460,137                                 | 1,075,137            |
| 2037                              | 645,000                      | 435,537                                 | 1,080,537            |
| 2038                              | 675,000                      | 409,737                                 | 1,084,737            |
| 2039                              | 705,000                      | 381,893                                 | 1,086,893            |
| 2040                              | 735,000                      | 351,930                                 | 1,086,930            |
| 2041                              | 770,000                      | 320,693                                 | 1,090,693            |
| 2042                              | 805,000                      | 287,968                                 | 1,092,968            |
| 2043                              | 840,000                      | 252,750                                 | 1,092,750            |
| 2044                              | 880,000                      | 216,000                                 | 1,096,000            |
| 2045                              | 915,000                      | 176,400                                 | 1,091,400            |
| 2046                              | 960,000                      | 135,225                                 | 1,095,225            |
| 2047                              | 1,000,000                    | 92,025                                  | 1,092,025            |
| 2048                              | 1,045,000                    | 47,025                                  | 1,092,025            |
|                                   | <u>\$ 15,480,000</u>         | <u>\$ 9,556,999</u>                     | <u>\$ 25,036,999</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-5. Long-Term Debt Service Requirements***  
***Series 2023 Road--by Years***  
***December 31, 2025***

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 520,000                   | \$ 942,381                              | \$ 1,462,381         |
| 2027                              | 545,000                      | 908,581                                 | 1,453,581            |
| 2028                              | 565,000                      | 873,156                                 | 1,438,156            |
| 2029                              | 590,000                      | 836,431                                 | 1,426,431            |
| 2030                              | 620,000                      | 798,081                                 | 1,418,081            |
| 2031                              | 645,000                      | 757,781                                 | 1,402,781            |
| 2032                              | 675,000                      | 715,856                                 | 1,390,856            |
| 2033                              | 705,000                      | 688,856                                 | 1,393,856            |
| 2034                              | 740,000                      | 660,656                                 | 1,400,656            |
| 2035                              | 770,000                      | 631,056                                 | 1,401,056            |
| 2036                              | 805,000                      | 600,256                                 | 1,405,256            |
| 2037                              | 840,000                      | 568,056                                 | 1,408,056            |
| 2038                              | 880,000                      | 534,456                                 | 1,414,456            |
| 2039                              | 920,000                      | 498,156                                 | 1,418,156            |
| 2040                              | 960,000                      | 459,057                                 | 1,419,057            |
| 2041                              | 1,005,000                    | 418,257                                 | 1,423,257            |
| 2042                              | 1,050,000                    | 375,545                                 | 1,425,545            |
| 2043                              | 1,095,000                    | 329,607                                 | 1,424,607            |
| 2044                              | 1,145,000                    | 281,700                                 | 1,426,700            |
| 2045                              | 1,195,000                    | 230,175                                 | 1,425,175            |
| 2046                              | 1,250,000                    | 176,400                                 | 1,426,400            |
| 2047                              | 1,305,000                    | 120,150                                 | 1,425,150            |
| 2048                              | 1,365,000                    | 61,425                                  | 1,426,425            |
|                                   | <u>\$ 20,190,000</u>         | <u>\$ 12,466,075</u>                    | <u>\$ 32,656,075</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2024--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 285,000                   | \$ 490,375                              | \$ 775,375           |
| 2027                              | 295,000                      | 474,700                                 | 769,700              |
| 2028                              | 310,000                      | 458,475                                 | 768,475              |
| 2029                              | 325,000                      | 441,425                                 | 766,425              |
| 2030                              | 335,000                      | 423,550                                 | 758,550              |
| 2031                              | 350,000                      | 405,125                                 | 755,125              |
| 2032                              | 370,000                      | 391,125                                 | 761,125              |
| 2033                              | 385,000                      | 376,325                                 | 761,325              |
| 2034                              | 400,000                      | 360,925                                 | 760,925              |
| 2035                              | 420,000                      | 344,925                                 | 764,925              |
| 2036                              | 440,000                      | 328,125                                 | 768,125              |
| 2037                              | 460,000                      | 310,525                                 | 770,525              |
| 2038                              | 480,000                      | 292,125                                 | 772,125              |
| 2039                              | 500,000                      | 272,925                                 | 772,925              |
| 2040                              | 525,000                      | 252,925                                 | 777,925              |
| 2041                              | 545,000                      | 231,925                                 | 776,925              |
| 2042                              | 570,000                      | 210,125                                 | 780,125              |
| 2043                              | 595,000                      | 187,325                                 | 782,325              |
| 2044                              | 625,000                      | 163,525                                 | 788,525              |
| 2045                              | 650,000                      | 138,525                                 | 788,525              |
| 2046                              | 680,000                      | 112,525                                 | 792,525              |
| 2047                              | 710,000                      | 85,325                                  | 795,325              |
| 2048                              | 745,000                      | 56,925                                  | 801,925              |
| 2049                              | 775,000                      | 27,125                                  | 802,125              |
|                                   | <u>\$ 11,775,000</u>         | <u>\$ 6,836,900</u>                     | <u>\$ 18,611,900</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2024 Road--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 470,000                   | \$ 815,300                              | \$ 1,285,300         |
| 2027                              | 490,000                      | 789,450                                 | 1,279,450            |
| 2028                              | 515,000                      | 762,500                                 | 1,277,500            |
| 2029                              | 535,000                      | 734,175                                 | 1,269,175            |
| 2030                              | 560,000                      | 704,750                                 | 1,264,750            |
| 2031                              | 585,000                      | 673,950                                 | 1,258,950            |
| 2032                              | 610,000                      | 650,550                                 | 1,260,550            |
| 2033                              | 640,000                      | 626,150                                 | 1,266,150            |
| 2034                              | 670,000                      | 600,550                                 | 1,270,550            |
| 2035                              | 700,000                      | 573,750                                 | 1,273,750            |
| 2036                              | 730,000                      | 545,750                                 | 1,275,750            |
| 2037                              | 760,000                      | 516,550                                 | 1,276,550            |
| 2038                              | 795,000                      | 486,150                                 | 1,281,150            |
| 2039                              | 830,000                      | 454,350                                 | 1,284,350            |
| 2040                              | 870,000                      | 421,150                                 | 1,291,150            |
| 2041                              | 910,000                      | 386,350                                 | 1,296,350            |
| 2042                              | 950,000                      | 349,950                                 | 1,299,950            |
| 2043                              | 995,000                      | 311,950                                 | 1,306,950            |
| 2044                              | 1,035,000                    | 272,150                                 | 1,307,150            |
| 2045                              | 1,085,000                    | 230,750                                 | 1,315,750            |
| 2046                              | 1,135,000                    | 187,350                                 | 1,322,350            |
| 2047                              | 1,185,000                    | 141,950                                 | 1,326,950            |
| 2048                              | 1,235,000                    | 94,550                                  | 1,329,550            |
| 2049                              | 1,290,000                    | 45,150                                  | 1,335,150            |
|                                   | <u>\$ 19,580,000</u>         | <u>\$ 11,375,225</u>                    | <u>\$ 30,955,225</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2025--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 390,000                   | \$ 1,033,768                            | \$ 1,423,768         |
| 2027                              | 500,000                      | 1,036,875                               | 1,536,875            |
| 2028                              | 525,000                      | 1,008,750                               | 1,533,750            |
| 2029                              | 550,000                      | 979,875                                 | 1,529,875            |
| 2030                              | 580,000                      | 949,625                                 | 1,529,625            |
| 2031                              | 610,000                      | 917,725                                 | 1,527,725            |
| 2032                              | 640,000                      | 893,325                                 | 1,533,325            |
| 2033                              | 670,000                      | 867,725                                 | 1,537,725            |
| 2034                              | 705,000                      | 840,925                                 | 1,545,925            |
| 2035                              | 740,000                      | 812,725                                 | 1,552,725            |
| 2036                              | 775,000                      | 783,125                                 | 1,558,125            |
| 2037                              | 815,000                      | 752,125                                 | 1,567,125            |
| 2038                              | 855,000                      | 719,525                                 | 1,574,525            |
| 2039                              | 900,000                      | 683,188                                 | 1,583,188            |
| 2040                              | 945,000                      | 643,813                                 | 1,588,813            |
| 2041                              | 990,000                      | 601,288                                 | 1,591,288            |
| 2042                              | 1,040,000                    | 556,738                                 | 1,596,738            |
| 2043                              | 1,095,000                    | 508,638                                 | 1,603,638            |
| 2044                              | 1,150,000                    | 456,625                                 | 1,606,625            |
| 2045                              | 1,205,000                    | 402,000                                 | 1,607,000            |
| 2046                              | 1,265,000                    | 344,762                                 | 1,609,762            |
| 2047                              | 1,330,000                    | 283,093                                 | 1,613,093            |
| 2048                              | 1,395,000                    | 218,255                                 | 1,613,255            |
| 2049                              | 1,465,000                    | 150,250                                 | 1,615,250            |
| 2050                              | 1,540,000                    | 77,000                                  | 1,617,000            |
|                                   | <u>\$ 22,675,000</u>         | <u>\$ 16,521,743</u>                    | <u>\$ 39,196,743</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*Series 2025 Road--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                |
|-----------------------------------|------------------------------|-----------------------------------------|----------------------|
| 2026                              | \$ 185,000                   | \$ 411,225                              | \$ 596,225           |
| 2027                              | 200,000                      | 412,519                                 | 612,519              |
| 2028                              | 210,000                      | 402,519                                 | 612,519              |
| 2029                              | 220,000                      | 392,019                                 | 612,019              |
| 2030                              | 235,000                      | 381,019                                 | 616,019              |
| 2031                              | 245,000                      | 369,269                                 | 614,269              |
| 2032                              | 255,000                      | 359,469                                 | 614,469              |
| 2033                              | 270,000                      | 349,269                                 | 619,269              |
| 2034                              | 285,000                      | 338,469                                 | 623,469              |
| 2035                              | 300,000                      | 327,069                                 | 627,069              |
| 2036                              | 310,000                      | 315,069                                 | 625,069              |
| 2037                              | 330,000                      | 302,669                                 | 632,669              |
| 2038                              | 345,000                      | 289,469                                 | 634,469              |
| 2039                              | 360,000                      | 274,806                                 | 634,806              |
| 2040                              | 380,000                      | 259,056                                 | 639,056              |
| 2041                              | 400,000                      | 241,956                                 | 641,956              |
| 2042                              | 420,000                      | 223,956                                 | 643,956              |
| 2043                              | 440,000                      | 204,531                                 | 644,531              |
| 2044                              | 460,000                      | 183,631                                 | 643,631              |
| 2045                              | 485,000                      | 161,781                                 | 646,781              |
| 2046                              | 510,000                      | 138,743                                 | 648,743              |
| 2047                              | 535,000                      | 113,880                                 | 648,880              |
| 2048                              | 560,000                      | 87,800                                  | 647,800              |
| 2049                              | 590,000                      | 60,500                                  | 650,500              |
| 2050                              | 620,000                      | 31,000                                  | 651,000              |
|                                   | <u>\$ 9,150,000</u>          | <u>\$ 6,631,693</u>                     | <u>\$ 15,781,693</u> |

See accompanying auditor's report.

*Fulshear Municipal Utility District No. 3A*  
*TSI-5. Long-Term Debt Service Requirements*  
*All Bonded Debt Series--by Years*  
*December 31, 2025*

| Due During Fiscal<br>Years Ending | Principal Due<br>September 1 | Interest Due<br>March 1,<br>September 1 | Total                 |
|-----------------------------------|------------------------------|-----------------------------------------|-----------------------|
| 2026                              | \$ 3,935,000                 | \$ 6,218,638                            | \$ 10,153,638         |
| 2027                              | 4,190,000                    | 6,055,226                               | 10,245,226            |
| 2028                              | 4,365,000                    | 5,843,633                               | 10,208,633            |
| 2029                              | 4,550,000                    | 5,631,313                               | 10,181,313            |
| 2030                              | 4,745,000                    | 5,409,403                               | 10,154,403            |
| 2031                              | 4,950,000                    | 5,175,913                               | 10,125,913            |
| 2032                              | 5,165,000                    | 4,957,445                               | 10,122,445            |
| 2033                              | 5,395,000                    | 4,758,895                               | 10,153,895            |
| 2034                              | 5,630,000                    | 4,552,282                               | 10,182,282            |
| 2035                              | 5,860,000                    | 4,336,075                               | 10,196,075            |
| 2036                              | 6,105,000                    | 4,110,443                               | 10,215,443            |
| 2037                              | 6,390,000                    | 3,874,495                               | 10,264,495            |
| 2038                              | 6,650,000                    | 3,626,988                               | 10,276,988            |
| 2039                              | 6,940,000                    | 3,363,326                               | 10,303,326            |
| 2040                              | 7,250,000                    | 3,083,508                               | 10,333,508            |
| 2041                              | 7,565,000                    | 2,798,399                               | 10,363,399            |
| 2042                              | 7,900,000                    | 2,500,174                               | 10,400,174            |
| 2043                              | 7,810,000                    | 2,183,943                               | 9,993,943             |
| 2044                              | 8,145,000                    | 1,868,574                               | 10,013,574            |
| 2045                              | 7,960,000                    | 1,545,499                               | 9,505,499             |
| 2046                              | 7,870,000                    | 1,224,299                               | 9,094,299             |
| 2047                              | 7,740,000                    | 897,142                                 | 8,637,142             |
| 2048                              | 6,345,000                    | 565,980                                 | 6,910,980             |
| 2049                              | 4,120,000                    | 283,025                                 | 4,403,025             |
| 2050                              | 2,160,000                    | 108,000                                 | 2,268,000             |
|                                   | <u>\$ 149,735,000</u>        | <u>\$ 84,972,618</u>                    | <u>\$ 234,707,618</u> |

See accompanying auditor's report.

***Fulshear Municipal Utility District No. 3A***  
***TSI-6. Change in Long-Term Bonded Debt***  
***December 31, 2025***

***Page 1 of 4***

|                                  | Bond Issue                              |                                           |                      |                         |
|----------------------------------|-----------------------------------------|-------------------------------------------|----------------------|-------------------------|
|                                  | Series 2018                             | Series 2018<br>Road                       | Series 2019          | Series 2019<br>Road     |
| Interest rate                    | 2.00% - 4.00%                           | 2.00% - 4.00%                             | 3.00% - 5.00%        | 2.00% - 4.50%           |
| Dates interest payable           | 3/1; 9/1                                | 3/1; 9/1                                  | 3/1; 9/1             | 3/1; 9/1                |
| Maturity dates                   | 9/1/19 - 9/1/42                         | 9/1/19 - 9/1/42                           | 9/1/20 - 9/1/44      | 9/1/20 - 9/1/44         |
| Beginning bonds outstanding      | \$ 4,060,000                            | \$ 1,335,000                              | \$ 4,935,000         | \$ 2,460,000            |
| Bonds issued                     |                                         |                                           |                      |                         |
| Bonds retired                    | (155,000)                               | (50,000)                                  | (170,000)            | (85,000)                |
| Ending bonds outstanding         | <u>\$ 3,905,000</u>                     | <u>\$ 1,285,000</u>                       | <u>\$ 4,765,000</u>  | <u>\$ 2,375,000</u>     |
| Interest paid during fiscal year | <u>\$ 149,014</u>                       | <u>\$ 48,620</u>                          | <u>\$ 148,050</u>    | <u>\$ 67,962</u>        |
| Paying agent's name and city     |                                         |                                           |                      |                         |
| Series 2023, 2023 Road, 2024,    |                                         |                                           |                      |                         |
| 2024 Road, 2025 and 2025 Road    | BOKF, N.A., Dallas, Texas               |                                           |                      |                         |
| All other Series                 | Regions Bank, Houston, TX               |                                           |                      |                         |
| Bond Authority:                  | Water, Sewer<br>and Drainage<br>Bonds   | Water, Sewer<br>and Drainage<br>Refunding | Road Bonds           | Road Refunding<br>Bonds |
| Amount Authorized by Voters      | \$ 164,300,000                          | \$ 246,450,000                            | \$ 87,900,000        | \$ 131,850,000          |
| Amount Issued                    | (85,770,000)                            |                                           | (72,520,000)         |                         |
| Remaining To Be Issued           | <u>\$ 78,530,000</u>                    | <u>\$ 246,450,000</u>                     | <u>\$ 15,380,000</u> | <u>\$ 131,850,000</u>   |
| Bond Authority:                  | Parks and<br>Recreational<br>Facilities |                                           |                      |                         |
| Amount Authorized by Voters      | \$ 38,000,000                           |                                           |                      |                         |
| Amount Issued                    |                                         |                                           |                      |                         |
| Remaining To Be Issued           | <u>\$ 38,000,000</u>                    |                                           |                      |                         |

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of December 31, 2025: \$ 4,898,202

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 9,388,305

See accompanying auditor's report.

| Bond Issue          |                     |                     |                     |                      |
|---------------------|---------------------|---------------------|---------------------|----------------------|
| Series 2020         | Series 2020<br>Road | Series 2021         | Series 2021<br>Road | Series 2022          |
| 2.00% - 4.00%       | 2.00% - 4.00%       | 2.00% - 4.00%       | 2.00% - 4.50%       | 3.625% - 6.125%      |
| 3/1; 9/1            | 3/1; 9/1            | 3/1; 9/1            | 3/1; 9/1            | 3/1; 9/1             |
| 9/1/21 - 9/1/45     | 9/1/21 - 9/1/45     | 9/1/22 - 9/1/46     | 9/1/22 - 9/1/46     | 9/1/24 - 9/1/47      |
| \$ 4,590,000        | \$ 2,280,000        | \$ 6,710,000        | \$ 1,360,000        | \$ 11,450,000        |
| (160,000)           | (80,000)            | (230,000)           | (45,000)            | (295,000)            |
| <u>\$ 4,430,000</u> | <u>\$ 2,200,000</u> | <u>\$ 6,480,000</u> | <u>\$ 1,315,000</u> | <u>\$ 11,155,000</u> |
| <u>\$ 99,119</u>    | <u>\$ 50,032</u>    | <u>\$ 142,843</u>   | <u>\$ 31,350</u>    | <u>\$ 524,700</u>    |

|                                  | Bond Issue           |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | Series 2022          | Series 2023          | Series 2023          | Series 2024          |
|                                  | Road                 |                      | Road                 |                      |
| Interest rate                    | 3.625% - 6.125%      | 4.00% - 6.50%        | 4.00% - 6.50%        | 3.50% - 5.50%        |
| Dates interest payable           | 3/1; 9/1             | 3/1; 9/1             | 3/1; 9/1             | 3/1; 9/1             |
| Maturity dates                   | 9/1/24 - 9/1/47      | 9/1/24 - 9/1/48      | 9/1/24 - 9/1/48      | 9/1/25 - 9/1/49      |
| Beginning bonds outstanding      | \$ 13,320,000        | \$ 15,860,000        | \$ 20,685,000        | \$ 12,025,000        |
| Bonds issued                     |                      |                      |                      |                      |
| Bonds retired                    | (345,000)            | (380,000)            | (495,000)            | (250,000)            |
| Ending bonds outstanding         | <u>\$ 12,975,000</u> | <u>\$ 15,480,000</u> | <u>\$ 20,190,000</u> | <u>\$ 11,775,000</u> |
| Interest paid during fiscal year | <u>\$ 610,519</u>    | <u>\$ 747,313</u>    | <u>\$ 974,556</u>    | <u>\$ 469,116</u>    |

See accompanying auditor's report.

| Bond Issue           |                      |                     |                       |
|----------------------|----------------------|---------------------|-----------------------|
| Series 2024          |                      | Series 2025         |                       |
| Road                 | Series 2025          | Road                | Totals                |
| 3.50% - 5.50%        | 4.00% - 6.00%        | 4.00% - 5.00%       |                       |
| 3/1; 9/1             | 3/1; 9/1             | 3/1; 9/1            |                       |
| 9/1/25 - 9/1/49      | 9/1/26 - 9/1/50      | 9/1/26 - 9/1/50     |                       |
| \$ 20,000,000        | \$ -                 | \$ -                | \$ 121,070,000        |
|                      | 22,675,000           | 9,150,000           | 31,825,000            |
| (420,000)            |                      |                     | (3,160,000)           |
| <u>\$ 19,580,000</u> | <u>\$ 22,675,000</u> | <u>\$ 9,150,000</u> | <u>\$ 149,735,000</u> |
| <u>\$ 780,178</u>    | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ 4,843,372</u>   |

**Fulshear Municipal Utility District No. 3A****TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund  
For the Last Five Fiscal Years**

|                                           | Amounts             |                     |                     |                     |                     |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                           | 2025                | 2024                | 2023                | 2022**              | 2021                |
| <b>Revenues</b>                           |                     |                     |                     |                     |                     |
| Water service                             | \$ 718,272          | \$ 704,432          | \$ 460,407          | \$ 372,306          | \$ 232,112          |
| Sewer service                             | 1,645,044           | 1,381,380           | 985,519             | 739,808             | 496,355             |
| Property taxes                            | 2,852,746           | 2,612,507           | 2,059,435           | 1,790,315           | 1,178,247           |
| Penalties and interest                    | 47,781              | 50,199              | 45,306              | 47,029              | 13,946              |
| Regional water authority fees             | 2,042,365           | 1,732,981           | 1,113,494           | 1,041,749           | 676,539             |
| Tap connection and inspection             | 1,687,846           | 1,465,848           | 1,031,848           | 965,952             | 559,818             |
| Capital recovery fees                     | 194,392             | 444,076             |                     |                     |                     |
| Miscellaneous                             | 22,653              | 16,754              | 10,337              | 7,852               | 6,179               |
| Investment earnings                       | 375,389             | 391,190             | 268,968             | 47,847              | 2,637               |
| <b>Total Revenues</b>                     | <b>9,586,488</b>    | <b>8,799,367</b>    | <b>5,975,314</b>    | <b>5,012,858</b>    | <b>3,165,833</b>    |
| <b>Expenditures</b>                       |                     |                     |                     |                     |                     |
| Current service operations                |                     |                     |                     |                     |                     |
| Purchased services                        | 609,708             | 759,137             | 656,977             | 566,507             | 618,121             |
| Professional fees                         | 400,227             | 339,487             | 279,073             | 277,365             | 182,822             |
| Contracted services                       | 1,347,793           | 1,169,238           | 1,319,081           | 848,343             | 583,276             |
| Repairs and maintenance                   | 965,640             | 786,028             | 566,888             | 306,977             | 204,152             |
| Utilities                                 | 415,354             | 384,547             | 161,689             | 6,607               | 4,770               |
| Regional water authority fees             | 1,894,270           | 1,580,821           | 1,036,049           | 968,017             | 624,944             |
| Administrative                            | 143,442             | 146,368             | 92,798              | 70,440              | 60,595              |
| Other                                     | 30,510              | 31,794              | 14,556              | 9,757               | 19,363              |
| Capital                                   |                     |                     |                     |                     |                     |
| Capital outlay                            | 2,181,294           | 551,481             |                     | 212,198             |                     |
| Capital leases                            |                     |                     | 3,151,448           |                     |                     |
| Debt service                              |                     |                     |                     |                     |                     |
| Lease - principal                         | 576,190             | 368,686             | 139,868             |                     |                     |
| Lease - interest                          | 190,610             | 149,864             | 59,632              |                     |                     |
| <b>Total Expenditures</b>                 | <b>8,755,038</b>    | <b>6,267,451</b>    | <b>7,478,059</b>    | <b>3,266,211</b>    | <b>2,298,043</b>    |
| <b>Revenues Over/(Under) Expenditures</b> | <b>831,450</b>      | <b>2,531,916</b>    | <b>(1,502,745)</b>  | <b>1,746,647</b>    | <b>867,790</b>      |
| <b>Other Financing Sources</b>            |                     |                     |                     |                     |                     |
| Developer advances                        |                     |                     |                     | 34,000              |                     |
| Lease financing                           |                     |                     | 3,151,448           |                     |                     |
| Internal transfers                        | 12,439              |                     |                     |                     |                     |
| <b>Net Change in Fund Balance</b>         | <b>843,889</b>      | <b>2,531,916</b>    | <b>1,648,703</b>    | <b>1,780,647</b>    | <b>867,790</b>      |
| Fund Balance, Beginning of the year       | 8,190,893           | 5,658,977           | 4,010,274           | 2,229,627           | 1,360,676           |
| <b>End of the year</b>                    | <b>\$ 9,034,782</b> | <b>\$ 8,190,893</b> | <b>\$ 5,658,977</b> | <b>\$ 4,010,274</b> | <b>\$ 2,228,466</b> |

\*Percentage is negligible

\*\*Due to District merger with Fulshear 3B, beginning fund balance does not agree to the previous year

See accompanying auditor's report.

| Percent of Fund Total Revenues |      |       |        |      |
|--------------------------------|------|-------|--------|------|
| 2025                           | 2024 | 2023  | 2022** | 2021 |
| 7%                             | 8%   | 8%    | 7%     | 7%   |
| 17%                            | 16%  | 16%   | 15%    | 16%  |
| 31%                            | 29%  | 34%   | 36%    | 38%  |
| *                              | 1%   | 1%    | 1%     | *    |
| 21%                            | 20%  | 19%   | 21%    | 21%  |
| 18%                            | 17%  | 17%   | 19%    | 18%  |
| 2%                             | 5%   |       |        |      |
| *                              | *    | *     | *      | *    |
| 4%                             | 4%   | 5%    | 1%     | *    |
| 100%                           | 100% | 100%  | 100%   | 100% |
| 6%                             | 9%   | 11%   | 11%    | 20%  |
| 4%                             | 4%   | 5%    | 6%     | 6%   |
| 14%                            | 13%  | 22%   | 17%    | 18%  |
| 10%                            | 9%   | 9%    | 6%     | 6%   |
| 4%                             | 4%   | 3%    | *      | *    |
| 20%                            | 18%  | 17%   | 19%    | 20%  |
| 1%                             | 2%   | 2%    | 1%     | 2%   |
| *                              | *    | *     | *      | 1%   |
| 23%                            | 6%   |       | 4%     |      |
|                                |      | 53%   |        |      |
| 6%                             | 4%   | 2%    |        |      |
| 2%                             | 2%   | 1%    |        |      |
| 90%                            | 71%  | 125%  | 64%    | 73%  |
| 10%                            | 29%  | (25)% | 36%    | 27%  |

***Fulshear Municipal Utility District No. 3A***

***TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund  
For the Last Five Fiscal Years***

|                                               | Amounts             |                     |                     |                     |                   |
|-----------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
|                                               | 2025                | 2024                | 2023                | 2022                | 2021              |
| <b>Revenues</b>                               |                     |                     |                     |                     |                   |
| Property taxes                                | \$ 7,718,010        | \$ 5,833,476        | \$ 3,294,438        | \$ 1,906,498        | \$1,357,436       |
| Penalties and interest                        | 78,773              | 85,658              | 31,840              | 14,451              | 26,056            |
| Miscellaneous                                 |                     | 70                  |                     |                     | 96                |
| Investment earnings                           | 232,204             | 228,366             | 136,290             | 21,642              | 261               |
| Total Revenues                                | 8,028,987           | 6,147,570           | 3,462,568           | 1,942,591           | 1,383,849         |
| <b>Expenditures</b>                           |                     |                     |                     |                     |                   |
| Tax collection services                       | 249,021             | 160,473             | 115,843             | 85,368              | 42,015            |
| Other                                         | 1,300               | 25,600              | 1,800               | 10                  | 116               |
| Debt service                                  |                     |                     |                     |                     |                   |
| Principal                                     | 3,160,000           | 2,510,000           | 915,000             | 870,000             | 605,000           |
| Interest and fees                             | 4,852,957           | 3,605,979           | 2,083,003           | 876,553             | 665,201           |
| Total Expenditures                            | 8,263,278           | 6,302,052           | 3,115,646           | 1,831,931           | 1,312,332         |
| <b>Revenues Over/(Under) Expenditu</b>        | (234,291)           | (154,482)           | 346,922             | 110,660             | 71,517            |
| <b>Other Financing Sources</b>                |                     |                     |                     |                     |                   |
| Proceeds from sale of bonds                   | 741,022             | 671,263             | 864,707             | 315,366             | 82,322            |
| <b>Net Change in Fund Balance</b>             | 506,731             | 516,781             | 1,211,629           | 426,026             | 153,839           |
| Fund Balance, Beginning of the year           | 2,773,051           | 2,256,270           | 1,044,641           | 618,615             | 464,776           |
| <b>End of the year</b>                        | <u>\$ 3,279,782</u> | <u>\$ 2,773,051</u> | <u>\$ 2,256,270</u> | <u>\$ 1,044,641</u> | <u>\$ 618,615</u> |
| Total Active Retail Water Connections         | 2,739               | 2,291               | 1,897               | 1,531               | 1,119             |
| Total Active Retail Wastewater<br>Connections | 2,598               | 2,164               | 1,813               | 1,472               | 1,067             |

\*Percentage is negligible

See accompanying auditor's report.

| Percent of Fund Total Revenues |      |      |      |      |
|--------------------------------|------|------|------|------|
| 2025                           | 2024 | 2023 | 2022 | 2021 |
| 96%                            | 95%  | 95%  | 98%  | 98%  |
| 1%                             | 1%   | 1%   | 1%   | 2%   |
|                                | *    |      |      | *    |
| 3%                             | 4%   | 4%   | 1%   | *    |
| 100%                           | 100% | 100% | 100% | 100% |
| 3%                             | 3%   | 3%   | 4%   | 3%   |
| *                              | *    | *    | *    | *    |
| 39%                            | 41%  | 26%  | 45%  | 44%  |
| 60%                            | 59%  | 60%  | 45%  | 48%  |
| 102%                           | 103% | 89%  | 94%  | 95%  |
| (2)%                           | (3)% | 11%  | 6%   | 5%   |

***Fulshear Municipal Utility District No. 3A***  
***TSI-8. Board Members, Key Personnel and Consultants***  
***For the Year Ended December 31, 2025***

Complete District Mailing Address: 9 Greenway Plaza, Suite 1000, Houston, Texas 77046-3653  
District Business Telephone Number: (713) 651-0111  
Submission Date of the most recent District Registration Form  
(TWC Sections 36.054 and 49.054): May 28, 2024  
Limit on Fees of Office that a Director may receive during a fiscal year \$ 7,200  
(Set by Board Resolution -- TWC Section 49.060)

| Names:                               | Term of<br>Office (Elected<br>or Appointed)<br>or Date Hired | Fees of<br>Office<br>Paid * | Expense<br>Reimburse-<br>ments | Title at Year End          |
|--------------------------------------|--------------------------------------------------------------|-----------------------------|--------------------------------|----------------------------|
| <b>Board Members</b>                 |                                                              |                             |                                |                            |
| Glen Nordt                           | 05/22 - 05/26                                                | \$ 2,652                    | \$ 643                         | President                  |
| TeAundrae Perryman                   | 01/23 - 05/26                                                | 3,315                       | 1,093                          | Vice President             |
| Clark Holm                           | 08/24 - 05/26                                                | 2,652                       |                                | Secretary                  |
| Jorge Sanchez                        | 04/25 - 05/28                                                | 1,989                       |                                | Assistant Secretary        |
| Mashhood Shah                        | 11/25 - 05/28                                                | 442                         | 7                              | Assistant Secretary        |
| Nicole K Grad                        | 05/24 - 04/25                                                | 663                         | 92                             | Former Director            |
| Stacey Thibodeaux                    | 05/24 - 10/25                                                | 1,989                       | 69                             | Former Director            |
| <b>Consultants</b>                   |                                                              |                             |                                |                            |
| Coats Rose, P.C.                     | 2015                                                         | <u>Amounts<br/>Paid</u>     |                                | Attorney                   |
| <i>General legal fees</i>            |                                                              | \$ 108,648                  |                                |                            |
| <i>Bond counsel</i>                  |                                                              | 841,167                     |                                |                            |
| Si Environmental, LLC                | 2015                                                         | 1,818,325                   |                                | Operator                   |
| Myrtle Cruz, Inc.                    | 2015                                                         | 33,726                      |                                | Bookkeeper                 |
| Utility Tax Service, LLC             | 2015                                                         | 57,716                      |                                | Tax Collector              |
| Fort Bend Central Appraisal District | Legislation                                                  | 140,738                     |                                | Property Valuation         |
| Waller County Appraisal District     | Legislation                                                  | 3,591                       |                                | Property Valuation         |
| Coats Rose, P.C.                     | 2015                                                         | 27,387                      |                                | Delinquent Tax<br>Attorney |
| IDS Engineering Group, Inc.          | 2015                                                         | 329,651                     |                                | Engineer                   |
| McGrath & Co., PLLC                  | 2015                                                         | 45,000                      |                                | Auditor                    |
| Robert W. Baird & Co.                | 2015                                                         | 777,129                     |                                | Financial Advisor          |

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

See accompanying auditor's report.

**APPENDIX B**  
**Specimen Municipal Bond Insurance Policy**



## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

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

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

28 Liberty Street, 59<sup>th</sup> Floor  
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN