This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 3, 2026

This PRELIMINARY OFFICIAL STATEMENT is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds. Upon sale of the Bonds, the OFFICIAL STATEMENT will be completed and delivered to the Underwriters.

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

THE BONDS WILL **NOT** BE DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE-Book-Entry Only

Underlying Rating: Moody's "Baa3"
See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" herein.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 175

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

$5,500,000
UNLIMITED TAX BONDS
SERIES 2026

$4,775,000
UNLIMITED TAX ROAD BONDS
SERIES 2026A

The $5,500,000 Unlimited Tax Bonds, Series 2026 (the "Series 2026 Bonds") and the $4,775,000 Unlimited Tax Road Bonds, Series 2026A (the "Series 2026A Road Bonds") and, together with the Series 2026 Bonds, (collectively, the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 175 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Fulshear, or any entity other than the District.

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

Dated Date: October 1, 2026 **Due: March 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds accrues from the date of delivery (expected on or about October 28, 2026) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2027, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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

See "MATURITY SCHEDULES" on the inside cover

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson, LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about October 28, 2026.

Bids Due: Thursday, October 1, 2026, at 10:30 A.M., Houston Time in Houston, Texas
Bid Award: Thursday, October 1, 2026, at 12:00 P.M., Houston Time in Houston, Texas

MATURITY SCHEDULES

$5,500,000
Series 2026 Bonds

Due (March 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (d)	CUSIP Number (c)	Due (March 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (d)	CUSIP Number (c)
2028	$ 220,000				2041	$ 220,000 (b)			
2029	220,000				2042	220,000 (b)			
2030	220,000				2043	220,000 (b)			
2031	220,000				2044	220,000 (b)			
2032	220,000				2045	220,000 (b)			
2033	220,000 (b)				2046	220,000 (b)			
2034	220,000 (b)				2047	220,000 (b)			
2035	220,000 (b)				2048	220,000 (b)			
2036	220,000 (b)				2049	220,000 (b)			
2037	220,000 (b)				2050	220,000 (b)			
2038	220,000 (b)				2051	220,000 (b)			
2039	220,000 (b)				2052	220,000 (b)			
2040	220,000 (b)								

$4,775,000
Series 2026A Road Bonds

Due (March 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (d)	CUSIP Number (c)	Due (March 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (d)	CUSIP Number (c)
2028	$ 195,000				2041	$ 190,000 (b)			
2029	195,000				2042	190,000 (b)			
2030	195,000				2043	190,000 (b)			
2031	195,000				2044	190,000 (b)			
2032	195,000				2045	190,000 (b)			
2033	190,000 (b)				2046	190,000 (b)			
2034	190,000 (b)				2047	190,000 (b)			
2035	190,000 (b)				2048	190,000 (b)			
2036	190,000 (b)				2049	190,000 (b)			
2037	190,000 (b)				2050	190,000 (b)			
2038	190,000 (b)				2051	190,000 (b)			
2039	190,000 (b)				2052	190,000 (b)			
2040	190,000 (b)								

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

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PHOTOGRAPHS OF THE DISTRICT
APPENDIX A—Independent Auditor's Report and Financial Statements of the District for the fiscal year ended November 30, 2025

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this OFFICIAL STATEMENT are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, for further information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2026 Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "Series 2026 Bond Underwriter") bearing the interest rates shown on the inside cover page hereof, at a price of _____% of the par value thereof which resulted in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

After requesting competitive bids for the Series 2026A Road Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "Series 2026A Road Bond Underwriter") bearing the interest rates shown on the inside cover page hereof, at a price of _____% of the par value thereof which resulted in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

The Series 2026 Bond Underwriter and the Series 2026A Road Bond Underwriter shall be referred to herein collectively as the "Underwriters."

Prices and Marketability

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

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

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

Description... The District is a political subdivision of the State of Texas, created by an order of the Texas Commission on Environmental Quality (the "TCEQ") on January 27, 2022, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District currently includes approximately 367 acres of land within its boundaries, including an approximately 46 acre non-contiguous tract. See "THE DISTRICT."

Location... The District is located approximately 36 miles southwest of the central downtown business district of the City of Houston and lies wholly within the boundaries of the City of Fulshear (the "City") and within the boundaries of the Lamar Consolidated Independent School District. The District is bordered on the north by Rogers Road and on the northeast by Farm-to-Market 359. Access to the District is provided by Rogers Road and Pecan Knoll Drive. See "THE DISTRICT" and "AERIAL LOCATION MAP."

The Developers… TPHTL Rogers, LLC ("TPHTL Rogers"), a Delaware limited liability company, has developed approximately 183 acres within the District. TPHTL Rogers does not own any remaining acres of undeveloped but developable land within the District. TPHTL Rogers is a joint venture between Tri Pointe Homes, Inc., a Delaware corporation ("Tri Pointe") and Toll Brothers, Inc., a Delaware corporation ("Toll Brothers"). Toll Brothers is a public company whose stock is traded on the New York Stock Exchange under the symbol TOL.

In addition, Tri Pointe Homes Texas, Inc. ("Tri Pointe Texas"), a subsidiary of Tri Pointe, has developed approximately 46 acres within the District.

On May 14, 2026, Teton NewCo, Inc., a Delaware corporation and wholly owned subsidiary of Sumitomo Forestry Co, Ltd ("Sumitomo"), a Japanese corporation listed and traded on the Tokyo Stock Exchange, merged with Tri Pointe, and Tri Pointe became a wholly owned subsidiary of Sumitomo. Tri Pointe common stock was de-registered under the Securities Exchange Act of 1934 and Tri Pointe is no longer listed or traded on the New York Stock Exchange or any other public exchange.

Tri Pointe continues to file certain reports with the SEC, which set forth, among other things, certain data relative to the consolidated results of operations and financial position of Tri Pointe Parent Corporation and its consolidated subsidiaries, including Tri Pointe, as of such dates. The SEC maintains an Internet website that contains reports and other information regarding registrants that file electronically with the SEC, including Tri Pointe Parent Corporation. The address of such website is www.sec.gov. Tri Pointe also makes available copies of such information filed with the SEC and its annual and quarterly reports in the "investors" portion of its website at www.tripointehomes.com.

TPHTL Rogers and Tri Pointe Texas are collectively herein referred to as the "Developers." See "THE DEVELOPERS," "TAX DATA—Principal Taxpayers" and "INVESTMENT CONSIDERATIONS—Dependence on the Developers."

Status of Development... Single-family residential development in the District consists of Pecan Ridge, Sections One through Thirteen (787 single-family residential lots on approximately 183 acres) and Estates at James Lane (38 single-family residential lots on approximately 46 acres). As of August 1, 2026, 513 homes were completed (473 occupied, 34 unoccupied, and 6 models), 44 homes were under construction and/or listed in the name of Tri Pointe or Toll Brothers and 268 vacant developed lots were available for home construction. The District contains approximately 138 undevelopable acres consisting of rights-of-way, detention ponds, lake amenities, easements, parks, recreational and open space. The District does not contain any remaining developable but undeveloped acres of land in the District. See "THE DISTRICT—Land Use," "—Status of Development" and "INVESTMENT CONSIDERATIONS—Undeveloped Acreage and Vacant Lots."

Homebuilding… Active homebuilding within the District is currently being performed by Tri Pointe Homes and Toll Brothers. New homes in the District range in price from approximately $345,000 to $1,600,000. See "THE DEVELOPERS—Homebuilding."

Payment Record... The District has previously issued $14,000,000 principal amount of unlimited tax bonds for acquiring or constructing water, sewer and drainage facilities in two series and $16,690,000 principal amount of unlimited tax bonds for constructing or acquiring road facilities in four series, $29,830,000 principal amount of which is outstanding as of the date hereof (the "Outstanding Bonds"). See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds." The Series 2026 Bonds are the District's third issuance of unlimited tax bonds for water, sewer and drainage purposes and the Series 2026A Road Bonds are the District's fifth issuance of unlimited tax bonds for road purposes. The District capitalized twelve (12) months of interest from proceeds of the Series 2026 Road Bonds in March 2026 and will capitalize twelve (12) months of interest from proceeds on the Series 2026 Bonds and twelve (12) months of interest from proceeds on the Series 2026A Road Bonds proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

THE BONDS

Description... The $5,500,000 Unlimited Tax Bonds, Series 2026 (the "Series 2026 Bonds") and the $4,775,000 Unlimited Tax Road Bonds, Series 2026A (the "Series 2026A Road Bonds" and, together with the Series 2026 Bonds, the "Bonds") are being issued as fully registered bonds pursuant to separate resolutions (the "Bond Resolutions") adopted by the District's Board of Directors (the "Board"). The Bonds are scheduled to mature serially on March 1 in each of the years 2028 through 2052, inclusive, in the principal amounts and accruing interest at the rates shown on the inside cover page hereof. Interest on the Bonds accrues from the Date of Delivery and is payable March 1, 2027, and each September 1 and March 1 thereafter, until the earlier of maturity or redemption. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. See "THE BONDS."

Book-Entry-Only System… The Depository Trust Company (defined as "DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each series and maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

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

Use of Proceeds for the Series 2026 Bonds... Proceeds of the Bonds will be used to pay for the items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," including to pay interest on funds advanced by TPHTL Rogers on behalf of the District, to capitalize twelve (12) months of interest on the Series 2026 Bonds, and to pay engineering fees, administrative costs, and certain other costs related to the issuance of the Series 2026 Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS—Series 2026 Bonds."

Use of Proceeds for the Series 2026A Road Bonds... Proceeds of the Bonds will be used to pay for the items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," including to pay interest on funds advanced by TPHTL Rogers and Tri Pointe Texas on behalf of the District, to capitalize twelve (12) months of interest on the Series 2026A Road Bonds, and to pay engineering fees, administrative costs, and certain other costs related to the issuance of the Series 2026A Road Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS—Series 2026A Road Bonds."

Authority for Issuance... The Series 2026 Bonds are the third series of bonds issued out of an aggregate of $264,750,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of acquiring or constructing water, sewer and drainage facilities. The Series 2026 Bonds are issued by the District pursuant to an election held within the District, an order of the TCEQ, a resolution authorizing the issuance of the Series 2026 Bonds (the "Series 2026 Bond Resolution"), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

The Series 2026A Road Bonds are the fifth series of bonds issued out of an aggregate of $113,800,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of constructing roads and related improvements. The Series 2026A Road Bonds are issued by the District pursuant to an election held within the District, the terms and provisions of Article III, Section 52 of the Texas Constitution, the general laws of the State of Texas, including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, and a resolution authorizing the issuance of the Series 2026A Road Bonds (the "Series 2026A Road Bond Resolution"). See "INVESTMENT CONSIDERATIONS—Future Debt," "THE BONDS—Authority for Issuance" and "—Issuance of Additional Debt."

Source of Payment... Principal of and interest on the Bonds are payable from the proceeds of two, separate continuing direct annual ad valorem taxes levied, without legal limitation as to rate or amount, against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City, Fort Bend County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."

Municipal Bond Rating And Municipal Bond Insurance... Moody's Investors Service ("Moody's") has assigned an underlying credit rating of "Baa3" on the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The fee associated with the rating assigned to the District by Moody's will be paid by the District; however, the fee associated with ratings provided by other agencies will be at the expense of the Underwriters. See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

Applications have also been made for municipal bond insurance on each series of bonds. If qualified, the purchase of municipal bond insurance with respect to the Series 2026 Bonds and the Series 2026A Road Bonds is optional and at the expense of each of the Underwriters. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

***Not** Qualified Tax-Exempt Obligations...* The Bonds will not be designated as "qualified tax-exempt obligations" for financial institutions.

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

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

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

Paying Agent/Registrar... BOKF, NA, Dallas, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Taxable Assessed Valuation	$288,059,217	(a)
Estimated Taxable Assessed Valuation as of August 1, 2026	$312,457,541	(b)
Gross Direct Debt Outstanding	$40,105,000	(c)
Estimated Overlapping Debt	36,344,486	(d)
Gross Direct Debt and Estimated Overlapping Debt	$76,449,486	
Ratio of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	13.92%	
Estimated Taxable Assessed Valuation as of August 1, 2026	12.84%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	26.54%	
Estimated Taxable Assessed Valuation as of August 1, 2026	24.47%	
Funds Available for Debt Service:		
Water/Sewer/Drainage Debt Service Funds Available as of September 3, 2026	$316,611	(e)
Road Debt Service Funds Available as of September 3, 2026	377,576	(e)
Capitalized Interest from proceeds of the Series 2026 Bonds (Twelve (12) Months)	275,000	(f)
Capitalized Interest from proceeds of the Series 2026A Road Bonds (Twelve (12) Months)	262,625	(f)
Total Funds Available for Debt Service	$1,231,812	(e)
Operating Funds Available as of September 3, 2026	$861,509	
WSD Capital Projects Fund as of September 3, 2026	$103,012	(g)
Road Capital Projects Fund as of September 3, 2026	$38,396	(h)
2025 Debt Service Tax Rate	$0.83	
2025 Maintenance and Operations Tax Rate	0.32	
2025 Total Tax Rate	$1.15	
Anticipated 2026 Debt Service Tax Rate	$0.85	
Anticipated 2026 Maintenance and Operations Tax Rate	0.30	
Anticipated 2026 Total Tax Rate	$1.15	(i)
Average Annual Debt Service Requirement (2027-2052)	$2,570,829	(j)
Maximum Annual Debt Service Requirement (2028)	$3,197,416	(j)
Tax Rate Required to Pay Average Annual Debt Service (2027-2052) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$0.94	(k)
Based upon Estimated Taxable Assessed Valuation as of August 1, 2026	$0.87	(k)
Tax Rate Required to Pay Maximum Annual Debt Service (2028) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$1.17	(k)
Based upon Estimated Taxable Assessed Valuation as of August 1, 2026	$1.08	(k)
Status of Development as of August 1, 2026 (l):		
Total Developed Lots	825	
Homes Completed (473 Occupied, 34 unoccupied and 6 Models)	513	
Homes Under Construction or in the name of Toll Brothers or Tri Pointe	44	
Vacant Developed Lots Available for Home Construction	268	
Estimated Population	1,656	(m)

(a) The 2026 Taxable Assessed Valuation shown herein includes $287,097,049 of certified value and $962,168 of uncertified value as of January 1, 2026. The uncertified value represents the landowners' opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable assessed value within the District on August 1, 2026. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and August 1, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES."

(c) The Outstanding Bonds and the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

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

(e) Funds in the Water/Sewer/Drainage Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds, and are not available to pay debt service on bonds issued for road facilities, including the Series 2026A Road Bonds. Funds in the Road Debt Service Fund are available to pay debt service on bonds issued for road facilities, including the Series 2026A Road Bonds, and are not available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds. See "THE BONDS—Funds."

(f) The District will capitalize twelve (12) months of interest from proceeds on the Series 2026 and twelve (12) months of interest from proceeds of the Series 2026A Road Bonds. The amount shown above is estimated at 5.00% for the Series 2026 Bonds and 5.50% for the Series 2026A Road Bonds. for illustration purposes. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(g) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding WSD Bonds. The District will contribute $53,027 of surplus capital projects funds toward the issuance of the Series 2026 Bonds. The Series 2026 Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding WSD Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from the Outstanding WSD Bonds.

(h) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding Road Bonds. The District will contribute $38,390 of surplus capital projects funds toward the issuance of the Series 2026A Road Bonds. The Series 2026A Road Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding Road Bonds which produced the surplus funds were issued.

(i) The District authorized publication of its intent to levy a total tax rate of $1.15 per $100 of taxable assessed valuation (consisting of $0.85 for debt service and $0.30 for maintenance and operations) and expects to adopt such rate in October 2026. See "TAX DATA—Historical Tax Rate Distribution."

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

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

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

(m) Based upon 3.5 persons per occupied single-family residence.

PRELIMINARY OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 175
(A political subdivision of the State of Texas located within Fort Bend County)

$5,500,000	**$4,775,000**
UNLIMITED TAX BONDS	**UNLIMITED TAX ROAD BONDS**
SERIES 2026	**SERIES 2026A**

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 175 (the "District") of its $5,500,000 Unlimited Tax Bonds, Series 2026 (the "Series 2026 Bonds") and the $4,775,000 Unlimited Tax Road Bonds, Series 2026A (the "Series 2026A Road Bonds") and, together with the Series 2026 Bonds, (collectively, the "Bonds").

The Series 2026 Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas; a resolution authorizing the issuance of the Series 2026 Bonds (the "Series 2026 Bond Resolution") adopted by the Board of Directors of the District (the "Board"); an order of the Texas Commission on Environmental Quality (the "TCEQ"); and an election held within the District.

The Series 2026A Road Bonds are issued by the District pursuant to the terms and provisions of Article III, Section 52 of the Texas Constitution, the general laws of the State of Texas, including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, and a resolution authorizing the issuance, sale and delivery of the Series 2026A Road Bonds adopted by the Board of Directors of the District (the "Series 2026A Road Bond Resolution," and together with the Series 2026 Bond Resolution, the "Bond Resolutions"), and an election held within the District.

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, TPHTL Rogers, LLC ("TPHTL Rogers"), Tri Pointe Homes Texas Inc. ("Tri Pointe Texas"), collectively referred to the "Developers," and development activity in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

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

Method of Payment of Principal and Interest

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

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

Source of Payment

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

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

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants in the Bond Resolutions 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 that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Funds

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

The Water/Sewer/Drainage Debt Service Fund is available for payment of principal and interest on bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds. It is not available to pay principal or interest on bonds issued for road facilities, including the Series 2026A Road Bonds. The District maintains a Road Debt Service Fund that is available for payment of debt service on bonds issued for road facilities, including the Series 2026A Road Bonds. It is not available to pay principal or interest on bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds.

Twelve (12) months of capitalized interest shall be deposited into the Water/Sewer/Drainage Debt Service Fund upon receipt at closing on the Series 2026 Bonds. The remaining proceeds of sale of the Series 2026 Bonds shall be deposited into the Water/Sewer/Drainage Capital Projects Fund, to be used for the purpose of reimbursing the Developers for certain construction costs and for paying engineering fees, administration costs and costs of issuance of the Series 2026 Bonds. Any monies remaining in the Water/Sewer/Drainage Capital Projects Fund will be used as described in the Series 2026 Bond Resolution or ultimately transferred to the Water/Sewer/Drainage Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS—The Series 2026 Bonds."

Twelve (12) months of capitalized interest shall be deposited into the Road Debt Service Fund upon receipt at closing on the Series 2026A Road Bonds. The remaining proceeds of sale of the Series 2026A Road Bonds shall be deposited into the Road Capital Projects Fund, to be used for the purpose of reimbursing the Developers for certain construction costs and for paying engineering fees, administration costs and costs of issuance of the Series 2026A Road Bonds. Any monies remaining in the Road Capital Projects Fund will be used as described in the Series 2026A Road Bond Resolution or ultimately transferred to the Road Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS—The Series 2026A Road Bonds."

Redemption Provisions

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

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

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

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

Authority for Issuance

At bond elections held within the District on May 7, 2022, voters of the District authorized the issuance of $264,750,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer and drainage facilities and $113,800,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities. See "Issuance of Additional Debt" herein.

The Series 2026 Bonds are issued by the District pursuant to the terms and provisions of Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District, an order of the TCEQ approving the issuance of the Series 2026 Bonds, and the Series 2026 Bond Resolution. The Series 2026A Road Bonds are issued by the District pursuant to the terms and provisions of Article III, Section 52 of the Texas Constitution, the general laws of the State of Texas, including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District, and the Series 2026A Road Bond Resolution.

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

Issuance of Additional Debt

The District's voters have authorized a total of $264,750,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities; $264,750,000 principal amount of unlimited tax bonds for refunding of such bonds issued for constructing or acquiring water, wastewater and drainage facilities; $113,800,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related facilities; $113,800,000 principal amount of unlimited tax bonds for refunding of such bonds issued for road facilities, $20,060,000 principal amount of unlimited tax bonds for the purpose of constructing and/ or acquiring park and recreational facilities; and $20,060,000 principal amount of unlimited tax bonds for refunding bonds issued for park and recreational facilities. The District could authorize additional amounts. After the issuance of the Bonds, $245,250,000 principal amount of the unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities and $264,750,000 for refunding of such bonds will remain authorized but unissued, $92,335,000 principal amount of the unlimited tax bonds for road facilities and $20,060,000 for parks and recreational facilities and $20,060,000 principal amount of unlimited tax bonds for refunding of such bonds will remain authorized but unissued. See "INVESTMENT CONSIDERATIONS—Future Debt."

If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in 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 master plan and bonds for such purposes by the qualified voters in the District; (b) approval of the master plan and bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election at this time for such purposes.

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.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolutions.

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

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

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

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

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered owners of lost, stolen or destroyed Bonds will be required to pay the District's costs to replace such Bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

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

Dissolution

Under existing Texas law, since the District lies wholly within the corporate limits of the City, the District may be dissolved by the City without the District's consent, subject to compliance by the City with Chapter 43 of the Texas Local Government Code, as amended. The Utility Agreement between the City and the District also places certain restrictions on the City's right to dissolve the District. See "THE DISTRICT—Utility Agreement with the City." If the District is dissolved, the City will assume the District's assets and obligations (including the Bonds). Dissolution of the District by the City is a policy matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that dissolution will or will not occur and makes no representation of the City's financial capability to pay debt service on the Bonds if such dissolution were to occur.

Remedies in Event of Default

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning the Depository Trust Company ("DTC") and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and

dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by LJA, Inc., the District's engineer (the "Engineer"), and were submitted to the TCEQ in the District's Bond application. Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and Masterson Advisors LLC (the "Financial Advisor"). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

Series 2026 Bonds

CONSTRUCTION RELATED COSTS		
• Drainage Improvements to Serve Pecan Ridge	$	1,144,645
• Water, Drainage, and Mass Grading and Detention Improvements to Serve Bray Tract		615,835
• Engineering		225,823
• SWPPP Items		15,288
• Detention Pond Land Costs - Bray Tract		2,362,150
Subtotal Construction Costs	$	4,363,741
Less: Surplus Funds (a)		(53,027)
Total Construction Costs	**$**	**4,310,714**
NON-CONSTRUCTION COSTS		
• Underwriter's Discount (Estimated at 3.00%) (b)	$	165,000
• Capitalized Interest (12 Months Estimated at 5.00%) (b)		275,000
• Developer Interest (Estimated)		349,528
Total Non-Construction Costs	**$**	**789,528**
ISSUANCE COSTS AND FEES		
• Issuance Costs and Professional Fees	$	318,008
• Bond Application Report Costs		62,500
• State Regulatory Fees		19,250
Total Issuance Costs and Fees	**$**	**399,758**
TOTAL BOND ISSUE	**$**	**5,500,000**

(a) The District will contribute $53,027 of surplus capital projects funds toward the issuance of the Series 2026 Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)."

(b) The TCEQ approved a maximum Underwriter's Discount of 3.00% and twelve (12) months of capitalized interest at an estimated interest rate of 5.00%. Debt service calculations throughout are based on an estimated interest rate of 5.50% per annum.

Series 2026A Road Bonds

The construction costs below were compiled by the Engineer. 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 certain agreed upon procedures are completed by the District's auditor. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used. See "ROAD SYSTEM."

CONSTRUCTION RELATED COSTS		
• Paving to Serve Pecan Knoll Drive Phase Three	$	827,368
• Paving and Appurtenances to Serve Pecan Ridge Section Twelve		400,407
• Paving and Appurtenances to Serve Pecan Ridge Section Thirteen		1,322,474
• Rogers Road Overlay to Serve the District		98,542
• Land Costs		791,867
• Engineering, Material Testing, Geotech		409,058
Subtotal Construction Costs	$	3,849,716
Less: Surplus Funds (a)		(38,390)
Total Construction Costs	**$**	**3,811,327**
NON-CONSTRUCTION COSTS		
• Underwriter's Discount (Estimated at 3.00%)	$	143,250
• Capitalized Interest (12 Months Estimated at 5.50%)		262,625
• Developer Interest (Estimated)		261,056
Total Non-Construction Costs	**$**	**666,931**
ISSUANCE COSTS AND FEES		
• Issuance Costs and Professional Fees	$	266,967
• Engineering Report Costs		25,000
• Attorney General Fee		4,775
Total Issuance Costs and Fees	**$**	**296,742**
TOTAL BOND ISSUE	**$**	**4,775,000**

(a) The District will contribute $38,390 of surplus capital projects funds toward the issuance of the Series 2026A Road Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)."

THE DEVELOPERS

General

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

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

Neither the Developers nor any affiliates of the Developers are responsible for, liable for, or have made any commitment for payment of the Bonds or other obligations of the District. Neither the Developers nor any affiliates of the Developers have any legal commitment to the District or the holders of the Bonds to continue development of the land within the District, and the Developers may sell or otherwise dispose of property within the District, or any assets, at any time.

TPHTL Rogers, LLC

TPHTL Rogers, LLC ("TPHTL Rogers"), a Delaware limited liability company, has developed approximately 183 acres within the District consisting of Pecan Ridge, Sections One through Thirteen (787 single family lots). TPHTL Rogers does not own any remaining undeveloped but developable land within the District. TPHTL Rogers is a joint venture between Tri Pointe Homes, Inc., a Delaware corporation ("Tri Pointe") and Toll Brothers, Inc., a Delaware corporation ("Toll Brothers"). Toll Brothers is a public company whose stock is traded on the New York Stock Exchange under the symbol TOL.

Tri Pointe Homes Texas, Inc.

In addition, Tri Pointe Texas, a subsidiary of Tri Pointe, has developed approximately 46 acres within the District consisting of The Estates at James Lane (38 lots).

On May 14, 2026, Teton NewCo, Inc., a Delaware corporation and wholly owned subsidiary of Sumitomo Forestry Co, Ltd ("Sumitomo"), a Japanese corporation listed and traded on the Tokyo Stock Exchange, merged with Tri Pointe, and Tri Pointe became a wholly owned subsidiary of Sumitomo. Tri Pointe common stock was de-registered under the Securities Exchange Act of 1934 and Tri Pointe is no longer listed or traded on the New York Stock Exchange or any other public exchange.

Tri Pointe continues to file certain reports with the SEC, which set forth, among other things, certain data relative to the consolidated results of operations and financial position of Tri Pointe Parent Corporation and its consolidated subsidiaries, including Tri Pointe, as of such dates. The SEC maintains an Internet website that contains reports and other information regarding registrants that file electronically with the SEC, including Tri Pointe Parent Corporation. The address of such website is www.sec.gov. Tri Pointe also makes available copies of such information filed with the SEC and its annual and quarterly reports in the "investors" portion of its website at www.tripointehomes.com.

TPHTL Rogers and Tri Pointe Texas are collectively herein referred to as the "Developers." See "THE DEVELOPERS," "TAX DATA—Principal Taxpayers" and "INVESTMENT CONSIDERATIONS—Dependence on the Developers."

Homebuilding

TPHTL Rogers has developed Pecan Ridge, Sections One through Thirteen (787 single family lots) and retains ownership of developed lots until the lots are taken down for home construction by either Tri Pointe Homes or Toll Brothers. Pursuant to the lot sales agreement between TPHTL Rogers and Tri Pointe and Toll Brothers, Tri Pointe and Toll Brothers are each entitled to fifty percent (50%) of the total developed lots. In addition, Tri Pointe Texas has developed The Estates at James Lane (38 single family lots). According to the Developers, new homes in the District range in price from approximately $345,000 to $1,600,000. See "THE DISTRICT—Status of Development."

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ, dated January 27, 2022, and operates pursuant to Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended. The District contains approximately 367 acres of land including, an approximately 46 acre non-contiguous tract. See "AERIAL LOCATION MAP."

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary to provide water; the collection, transportation and treatment of wastewater; the control and diversion of storm water, and the provision of parks and recreational facilities. The District is also empowered to construct, acquire, improve, maintain or operate roads and improvements in aid thereof. The District may issue bonds or other forms of indebtedness to purchase or construct all of such facilities. The District is also empowered to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts after approval by the TCEQ and the voters of the District.

The TCEQ exercises continuing supervisory jurisdiction over the District. The District, pursuant to the City resolution consenting to creation of the District (the "City's Consent Resolution"), is required to observe certain requirements of the City which (1) limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage, recreational, road and fire-fighting facilities; (2) limit the net effective interest rate on such bonds and other terms of such bonds; (3) require approval by the City for construction plans (except for park/recreational facilities); and (4) permit connections only to platted lots and reserves which have been approved by the Planning Commission of the City. Construction and operation of facilities constructed by the District are subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation."

Utility Agreement with the City

The District operates pursuant to a Utility Agreement between the City and the District dated as of June 9, 2020 as amended (the "Utility Agreement"). The Utility Agreement terminates on June 9, 2060 unless otherwise previously terminated pursuant to its terms. Pursuant to the Utility Agreement, the District has agreed to acquire and construct, for ultimate conveyance to the City, the water distribution, wastewater collection and certain drainage facilities to serve development occurring within the boundaries of the District (the "District Utility Facilities"). The District will retain ownership of the detention ponds serving land within the District.

The District Facilities: The Utility Agreement provides that the District Utility Facilities will be designed and constructed in accordance with the City's requirements and criteria. See "THE SYSTEM".

Authority of District to Issue Bonds: The District has the authority to issue, sell, and deliver bonds as permitted by law and the City's Consent Resolution. Bonds issued by the District are obligations solely of the District and shall not be construed to be obligations or indebtedness of the City.

Ownership, Operation, and Maintenance of the District Utility Facilities: Upon completion of construction of the District Utility Facilities, the District agrees to convey the District Utility Facilities to the City, reserving for itself a security interest in the District Utility Facilities for the purpose of securing the performance of the City under the Utility Agreement, including (among others) providing water and wastewater treatment capacity resulting from water and wastewater connection fees paid to the City, and maintaining the water distribution and wastewater collection line capacity as constructed by the District. When all bonds issued by the District to acquire and construct the applicable District Utility Facilities have been paid or redeemed and discharged in full, the District agrees to execute a release of the security interest retained by the District and the City shall own the District Utility Facilities without such encumbrance. As each phase of the District Utility Facilities is completed, the City agrees to inspect the same and upon approval, will accept the District Utility Facilities for operation and maintenance. From then on, the District Utility Facilities shall be operated and maintained by the City at its sole cost and expense. The City fixes rates and charges for customers of the District Utility Facilities for services afforded by the District Utility Facilities, provided that such rates and charges will not exceed the rates charged other users within the City. Other than water and sewer rates and tap fees, the City may not impose any additional fee or charge (including a capital recovery fee or impact fee) on users of the District Utility Facilities. The District is not entitled to any water and sewer charges, tap fees, or any other revenue from the District Utility Facilities, as all of same belongs exclusively to the City.

Water and Sewer Capacity: The District acquires water capacity from the City's water facilities in accordance with the Utility Agreement. To this end, the District is obligated to pay a fee of $2,250 for each equivalent single-family connection for water services. Additionally, a total of 321 acres within the District are serviced by the City's wastewater treatment plant, as stipulated in the Utility Agreement, for which the District pays a fee of $3,250 per equivalent single-family connection for wastewater services. In addition, the non-contiguous tract within the District, of approximately 46 acres being marketed as the Estates at James Lane, relies on private septic systems for each individual lot. The District incurs fees associated with the development of non-single-family lots and commercial properties, as referenced in "THE SYSTEM." The City commits to providing the District with the ultimate requirements for water supply and wastewater treatment services, contingent upon the timely payment of the aforementioned fees. For further details, please refer to "THE SYSTEM."

Location

The District is located approximately 36 miles southwest of the central downtown business district of the City of Houston and lies wholly within the corporate boundaries of the City and within the boundaries of the Lamar Consolidated Independent School District. The District is bordered on the north by Rogers Road and on the northeast by Farm-to-Market 359. Access to the District is provided by Rogers Road and Pecan Knoll Drive.

Land Use

The District currently includes approximately 229 acres of single-family residential development (825 residential lots), and approximately 138 undevelopable acres (drainage and pipeline easements, detention, open spaces, street rights-of-way and utility sites). The table below represents a detailed breakdown of the current acreage and development in the District. See "AERIAL LOCATION MAP" and "PHOTOGRAPHS OF THE DISTRICT."

Single-Family Residential		Approximate Acres	Lots
Pecan Ridge	Section One	3	14
	Section Two	20	106
	Section Three	17	64
	Section Four	21	89
	Section Five	11	32
	Section Six	19	98
	Section Seven	8	39
	Section Eight	11	41
	Section Nine	10	29
	Section Ten	18	75
	Section Eleven	9	38
	Section Twelve	9	33
	Section Thirteen	27	129
Estates at James Lane		46	38
		229	825
Future Developable		0	-
Undevelopable (a)		138	-
	District Total	367	825

(a) Represents rights-of-way, detention ponds, lakes, amenities, easements, parks, and recreational and open space.

Status of Development

Single-family residential development in the District consists of Pecan Ridge, Sections One through Thirteen (787 single-family residential lots on approximately 183 acres) and Estates at James Lane (38 single-family residential lots on approximately 46 acres). As of August 1, 2026, 513 homes were completed (473 occupied, 34 unoccupied and 6 models), 44 homes were under construction and/or listed in the name of Tri Pointe or Toll Brothers and 268 vacant developed lots were available for home construction. There are approximately 138 undevelopable acres consisting of rights-of-way, detention ponds, lake amenities, easements, parks, recreational and open space. The District does not contain any remaining developable but undeveloped acres of land in the District. See "THE DEVELOPERS—Homebuilding" and "INVESTMENT CONSIDERATIONS—Undeveloped Acreage and Vacant Lots."

Future Development

The District is currently planned as primarily single-family residential with some complementary retail development. The District does not contain any remaining developable but undeveloped acres of land in the District. The District anticipates issuing additional bonds to accomplish full development of the District and to pay outstanding amounts owed to the Developers. The Engineer has stated that under current development plans, the remaining authorized but unissued bonds, after issuance of the Bonds ($357,645,000), will be sufficient to finance the construction of water, sewer, and drainage facilities, roads and recreational facilities to complete development of the District.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year terms and elections are held in May in even numbered years only. None of the Board members reside within the District; however, each of the Board members owns land within the District subject to a note and deed of trust in favor of Tri Pointe. Directors have staggered four-year terms. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Alexa Cox	President	May 2028
Lee Russell	Vice President	May 2030
Bertha Fair	Secretary	May 2028
Susan Wang	Assistant Secretary	May 2030
Michael Moyer	Assistant Vice President	May 2030

District Consultants

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

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's bonds. The fees of the attorneys in their capacity as Bond Counsel are contingent upon the sale and delivery of the Bonds. Compensation to the attorneys for other services to the District is based on time charges actually incurred.

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

Auditor: The District's financial statements for the fiscal year ending November 30, 2025, were audited by McGrath & Co., PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the District's audited financial statements for the fiscal year ending November 30, 2025.

Engineer: The District's consulting engineer is LJA, Inc.

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

Tax Assessor/Collector: The District has appointed an independent tax assessor/collector to perform the tax collection function. Assessments of the Southwest, Inc. (the "Tax Assessor/Collector") has been engaged by the District to serve in this capacity.

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

Utility System Operator: The water and sewer facilities which serve the District, including the facilities conveyed to the City by the District, are operated by the City.

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., serves as Disclosure Counsel to the District. The fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds.

THE SYSTEM

Regulation

Construction and operation of the District's water, sewer and drainage facilities as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Withdrawal of ground water and the issuance of water well permits is subject to the regulatory authority of the Fort Bend Subsidence District where applicable (see "Water Supply" below). Construction of drainage facilities is subject to the regulatory authority of City and Fort Bend County Drainage District (the "Drainage District"). The City and the Texas Department of Health also exercise regulatory jurisdiction over the water and wastewater facilities constructed by the District.

Water Supply

The District receives potable water from the City. Pursuant to the Utility Agreement, the City has agreed to supply the District with capacity in the City's water plant facilities in consideration of the payment of a connection fee per connection. See "THE DISTRICT—Utility Agreement with the City." The City currently owns and operates two water plants, one of which serves the District. The water plant facilities serving the District consist of two water wells with capacity of 2,566 gallons per minute ("gpm"), a 278,900 gallon ground storage tank, a 250,000 gallon elevated storage tank, and 1,800 gpm of booster pump capacity. The water plant serving the District is capable of serving 2,691 equivalent single-family connections ("ESFCs"). The District has purchased sufficient water capacity to serve 843 ESFCs from the City. As of August 1, 2026, the District was serving 517 active residential connections (including 44 homes under construction or in Tri Pointe Homes or Toll Brothers name). In order to fully provide water supply to the District, the District will need to pay additional connection fees to the City, and the City will need to expand its water supply facilities from time to time.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The City's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the City and the District. In 2005, the Texas legislature created the North Fort Bend Water Authority (the "Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water).

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

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total water demand of the water users within the Authority's GRP, beginning in the year 2014, which the Authority successfully accomplished; 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 in the year 2027. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee penalty ("Disincentive Fees"), imposed by the Subsidence District for any groundwater withdrawn in excess of the Subsidence District's applicable groundwater withdraw limitation at that time, as applied to 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 City. If the City failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely seek monetary or other penalties against the City.

The District cannot predict the amount or level of fees and charges, which may be due to the Authority in the future, but anticipates that the City will continue passing such fees through to City customers (including customers within the District's boundaries). In addition, conversion to surface water could necessitate improvements to the water system conveyed to the City which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Wastewater Treatment

All of the District's wastewater is treated by the City. Pursuant to the Utility Agreement, the City has agreed to supply the District with wastewater treatment capacity in the City's wastewater treatment plant facilities in consideration of the payment of a connection fee per connection. See "THE DISTRICT—Utility Agreement with the City." The City currently owns and operates two wastewater treatment plants, one of which serves the District. The wastewater treatment plant serving the District has a total capacity of 500,000 gallons per day ("gpd") and is currently capable of serving 2,222 ESFCs. The District has purchased sufficient wastewater treatment capacity to serve 843 ESFCs. As of August 1, 2026, the District was serving 517 active residential connections (including 44 homes under construction or in Tri Pointe Homes or Toll Brothers name). In order to fully provide wastewater treatment for the District, the District will need to pay additional connection fees to the City, and the City will need to expand its wastewater plant facilities from time to time.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 843 residential lots in the District. See "THE DISTRICT—Status of Development."

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years.

According to the District's Engineer, approximately 33 acres of the developable land within the District are located within the 100-year flood plain as shown on the effective Flood Insurance Rate Map. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events."

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the District. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

ROAD SYSTEM

The road infrastructure within the District consists of several collector roads, namely Pecan Knoll Drive and Lou Waters Parkway, and an internal street network. Pecan Knoll Drive serves as the primary access point to the District, connecting the internal streets to the major thoroughfare, Rogers Road, which forms the District's northern boundary and ultimately leads to the Farm to Market Road 359. All roadways adhere to the standards, regulations, and guidelines set by the City and Fort Bend County. Following acceptance by the City, the City assumes responsibility for the operation and maintenance of the roads. A portion of the proceeds of the Series 2026A Road Bonds will be used to reimburse the Developers for financing of construction of various internal roadways. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2026 Taxable Assessed Valuation	$288,059,217	(a)
Estimated Taxable Assessed Valuation as of August 1, 2026	$312,457,541	(b)
Gross Direct Debt Outstanding	$40,105,000	(c)
Estimated Overlapping Debt	36,344,486	(d)
Gross Direct Debt and Estimated Overlapping Debt	$76,449,486	
Ratio of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	13.92%	
Estimated Taxable Assessed Valuation as of August 1, 2026	12.84%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	26.54%	
Estimated Taxable Assessed Valuation as of August 1, 2026	24.47%	
Funds Available for Debt Service:		
Water/Sewer/Drainage Debt Service Funds Available as of September 3, 2026	$316,611	(e)
Road Debt Service Funds Available as of September 3, 2026	377,576	(e)
Capitalized Interest from proceeds of the Series 2026 Bonds (Twelve (12) Months)	275,000	(f)
Capitalized Interest from proceeds of the Series 2026A Road Bonds (Twelve (12) Months)	262,625	(f)
Total Funds Available for Debt Service	$1,231,812	(e)
Operating Funds Available as of September 3, 2026	$861,509	
WSD Capital Projects Fund as of September 3, 2026	$103,012	(g)
Road Capital Projects Fund as of September 3, 2026	$38,396	(h)

(a) The 2026 Taxable Assessed Valuation shown herein includes $287,097,049 of certified value and $962,168 of uncertified value. The uncertified value represents the landowners' opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable assessed value within the District on August 1, 2026. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and August 1, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES."

(c) The Outstanding Bonds and the Bonds. See "—Outstanding Bonds" herein.

(d) See "—Estimated Overlapping Debt" herein.

(e) Funds in the Water/Sewer/Drainage Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds, and are not available to pay debt service on bonds issued for road facilities, including the Series 2026A Road Bonds. Funds in the Road Debt Service Fund are available to pay debt service on bonds issued for road facilities, including the Series 2026A Road Bonds, and are not available to pay debt service on the bonds issued for water, sewer and drainage facilities, including the Series 2026 Bonds. See "THE BONDS—Funds."

(f) The District will capitalize twelve (12) months of interest from proceeds on the Series 2026 and twelve (12) months of interest from proceeds of the Series 2026A Road Bonds. The amount shown above is estimated at 5.00% for the Series 2026 Bonds and 5.50% for the Series 2026A Road Bonds for illustration purposes. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(g) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding WSD Bonds. The District will contribute $53,027 of surplus capital projects funds toward the issuance of the Series 2026 Bonds. The Series 2026 Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding WSD Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from the Outstanding WSD Bonds.

(h) Represents surplus capital projects funds, and interest thereon, derived from the Outstanding Road Bonds. The District will contribute $38,390 of surplus capital projects funds toward the issuance of the Series 2026A Road Bonds. The Series 2026A Road Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for capital projects may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purposes for which the issue of the Outstanding Road Bonds which produced the surplus funds were issued.

Investments of the District

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

Outstanding Bonds

The District has previously issued two series of unlimited tax bonds for water, sewer and drainage facilities and four series of unlimited tax bonds for road facilities, $29,830,000 principal amount of which remains outstanding as of the date hereof (the "Outstanding Bonds"). The following table lists the original principal amount of the Outstanding Bonds and the outstanding amounts.

Series	Original Principal Amount	Outstanding Bonds
2023 (a)	$ 5,190,000	$ 4,985,000
2024	8,000,000	7,655,000
2025 (a)	4,000,000	3,920,000
2025	6,000,000	5,770,000
2025A (a)	4,000,000	4,000,000
2026 (a)	3,500,000	3,500,000
Total	$ 30,690,000	$ 29,830,000

(a) Unlimited tax road bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see "Outstanding Bonds" in this section) and the estimated debt service on the Bonds at an estimated interest rate of 5.50%. This schedule does not reflect the fact that twelve (12) months of interest was capitalized from proceeds of the Series 2026 Road Bonds in March 2026 and an amount equal to twelve (12) months of interest will be capitalized from proceeds on the Series 2026 Bonds and twelve (12) months of interest will be capitalized from proceeds on the Series 2026A Road Bonds to pay debt service on the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	The Series 2026 Bonds		The Series 2026A Road Bonds		Total Debt Service Requirements
		Principal	Interest	Principal	Interest	
2027	$ 2,260,834		$ 254,604.17		$ 221,042.71	$ 2,736,480.63
2028	2,228,704	$ 220,000	296,450.00	$ 195,000	257,262.50	3,197,416.25
2029	2,190,244	220,000	284,350.00	195,000	246,537.50	3,136,131.25
2030	2,160,769	220,000	272,250.00	195,000	235,812.50	3,083,831.25
2031	2,122,619	220,000	260,150.00	195,000	225,087.50	3,022,856.25
2032	2,093,719	220,000	248,050.00	195,000	214,362.50	2,971,131.25
2033	2,062,656	220,000	235,950.00	190,000	203,775.00	2,912,381.25
2034	2,045,181	220,000	223,850.00	190,000	193,325.00	2,872,356.25
2035	2,024,347	220,000	211,750.00	190,000	182,875.00	2,828,971.88
2036	2,011,219	220,000	199,650.00	190,000	172,425.00	2,793,293.75
2037	2,001,150	220,000	187,550.00	190,000	161,975.00	2,760,675.00
2038	1,979,025	220,000	175,450.00	190,000	151,525.00	2,716,000.00
2039	1,965,750	220,000	163,350.00	190,000	141,075.00	2,680,175.00
2040	1,949,850	220,000	151,250.00	190,000	130,625.00	2,641,725.00
2041	1,937,188	220,000	139,150.00	190,000	120,175.00	2,606,512.50
2042	1,917,463	220,000	127,050.00	190,000	109,725.00	2,564,237.50
2043	1,901,138	220,000	114,950.00	190,000	99,275.00	2,525,362.50
2044	1,887,750	220,000	102,850.00	190,000	88,825.00	2,489,425.00
2045	1,876,941	220,000	90,750.00	190,000	78,375.00	2,456,065.63
2046	1,853,650	220,000	78,650.00	190,000	67,925.00	2,410,225.00
2047	1,847,656	220,000	66,550.00	190,000	57,475.00	2,381,681.25
2048	1,823,813	220,000	54,450.00	190,000	47,025.00	2,335,287.50
2049	1,812,141	220,000	42,350.00	190,000	36,575.00	2,301,065.63
2050	1,777,497	220,000	30,250.00	190,000	26,125.00	2,243,871.88
2051	1,176,450	220,000	18,150.00	190,000	15,675.00	1,620,275.00
2052	132,844	220,000	6,050.00	190,000	5,225.00	554,118.75
Total	$ 49,040,594	$ 5,500,000	$ 4,035,854.17	$ 4,775,000	$ 3,490,105.21	$ 66,841,553.13

Average Annual Debt Service Requirements (2027-2052) $2,570,829
Maximum Annual Debt Service Requirement (2028) $3,197,416

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Fort Bend County	$ 1,152,335,706	8/31/2026	0.21%	$ 2,419,905
Fort Bend County Drainage District	20,585,000	8/31/2026	0.21%	43,229
Lamar Consolidated Independent School District	3,555,130,000	8/31/2026	0.94%	33,418,222
City of Fulshear	90,810,000	8/31/2026	0.51%	463,131
Total Estimated Overlapping Debt				$ 36,344,486
The District's Total Direct Debt (a)				40,105,000
Total Direct and Estimated Overlapping Debt				$ 76,449,486

Direct and Estimated Overlapping Debt as a Percentage of:
2026 Taxable Assessed Valuation of $288,059,217 ..... 26.54%
Estimated Taxable Assessed Valuation as of August 1, 2026 of $312,457,541 ..... 24.47%

(a) Includes the Outstanding Bonds and the Bonds.

Overlapping Taxes

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

Set forth below are all of the taxes levied for the 2025 tax year by all taxing jurisdictions overlapping the District and the anticipated 2026 tax rate for the District. None of the overlapping entities have levied a 2026 tax rate. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	Tax Rate Per $100 Taxable Assessed Valuation
Fort Bend County (includes Fort Bend County Drainage District)	$ 0.422000
City of Fulshear	0.167903
Lamar Consolidated Independent School District	1.146900
Fort Bend County Emergency Services District No. 4	0.096628
Total Overlapping Tax Rate	$ 1.833431
The District (a)	1.150000
Total Tax Rate	$ 2.983431

(a) The District authorized publication of its intent to levy a total tax rate of $1.15 per $100 of taxable assessed valuation (consisting of $0.85 for debt service and $0.30 for maintenance and operations) and expects to adopt such rate in October 2026. See "TAX DATA—Historical Tax Rate Distribution."

General Operating Fund

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

	12/1/2025 to 8/31/2026	Fiscal Year Ended November 30			
		2025	2024	2023	2022
	Unaudited				
Revenues					
Property taxes	$ 637,850	$ 894,709	$ 376,595	$ 84,628	$ -
Penalties and interest	-	-	-	108	-
Investment earnings	22,547	20,327	384	187	11
Total Revenues	$ 660,397	$ 915,036	$ 376,979	$ 84,923	$ 11
Expenditures					
Professional Fees	$ 120,953	$ 100,676	$ 115,632	$ 81,192	$ 80,342
Contracted Services	27,250	36,000	36,109	15,750	8,000
Administrative	26,491	22,853	16,931	16,080	10,635
Repairs and Maintenance	166,742	253,089	106,795	129,895	-
Utilities	1,838	1,826	1,607	639	-
Other	-	11,440	6,261	678	481
Total Expenditures	$ 343,274	$ 425,884	$ 283,335	$ 244,234	$ 99,458
Net Revenues	$ 317,123	$ 489,152	$ 93,644	$ (159,311)	$ (99,447)
Other Financing Sources/(Uses)					
Interfund Transfers	$ -	$ -	$ (15,113)	$ -	$ -
Developer Advances	-	-	-	$ 127,500	$ 96,500
Fund Balance :					
Beginning of Year	$ 532,925	$ 43,773	$ (34,758)	$ (2,947)	$ -
End of Year	$ 850,048	$ 532,925	$ 43,773	$ (34,758)	$ (2,947)

TAX DATA

Debt Service Tax

The District covenants in the Bond Resolutions to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See "Historical Tax Rate Distribution" and "Tax Roll Information" below, and "TAXING PROCEDURES."

Maintenance Tax

The District has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted on May 7, 2022, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of assessed valuation.

Historical Tax Rate Distribution

	2026 (a)	2025	2024	2023	2022
Debt Service	$ 0.85	$ 0.83	$ 0.15	$ -	$ -
Maintenance and Operations	0.30	0.32	1.00	1.15	1.15
Total	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.15

(a) The District authorized publication of its intent to levy a total tax rate of $1.15 per $100 of taxable assessed valuation (consisting of $0.85 for debt service and $0.30 for maintenance and operations) and expects to adopt such rate in October 2026.

Additional Penalties

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

Historical Tax Collections

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

Tax Year	Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy	Total Collections as of August 31, 2026 (b)	
				Amount	Percent
2022	$ 7,392,800	$ 1.15	$ 85,017	$ 85,017	100.00%
2023	32,768,056	1.15	376,833	376,833	100.00%
2024	91,344,162	1.15	1,050,458	1,045,225	99.50%
2025	199,595,071	1.15	2,295,343	2,249,319	97.99%
2026	288,059,217	1.15	3,312,681	(c)	(c)

(a) As certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" below.
(b) Unaudited.
(c) The District authorized publication of its intent to levy a total tax rate of $1.15 per $100 of taxable assessed valuation (consisting of $0.85 for debt service and $0.30 for maintenance and operations) and expects to adopt such rate in October 2026. Taxes are due by January 31, 2027.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAXING PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of property comprising the 2022 through 2026 Taxable Assessed Valuations and the Estimated Taxable Assessed Valuation as of August 1, 2026. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. A breakdown of the uncertified portion ($962,168) of the 2026 Taxable Assessed Valuation of $288,059,217 is not available.

Tax Year	Type of Property: Land	Type of Property: Improvements	Type of Property: Personal Property	Gross Assessed Valuations	Deferments and Exemptions	Uncertified Value	Net Assessed Valuations
2022	$ 17,367,680	$ 4,000	$ -	$ 17,371,680	$ (9,978,880)	$ -	$ 7,392,800
2023	29,160,103	3,650,566	-	32,810,669	(42,613)	-	32,768,056
2024	45,611,987	49,199,137	588,916	95,400,040	(4,055,878)	-	91,344,162
2025	71,458,386	138,563,538	609,053	210,630,977	(11,035,906)	-	199,595,071
2026	91,084,943	212,516,664	510,176	304,111,783	(17,014,734)	962,168	288,059,217
8/1/2026	82,957,943	235,019,946	2,399,241	320,377,130	(16,196,057)	8,276,468	312,457,541

Principal Taxpayers

The following table represents the principal taxpayers, the taxable assessed valuation of such property, and such property's taxable assessed valuation as a percentage of the 2026 Certified Taxable Assessed Valuation of $287,097,049. Principal taxpayer lists related to the uncertified portion ($962,168) of the 2026 Taxable Assessed Valuation of $288,059,217 and the Estimated Taxable Assessed Valuation as of August 1, 2026, of $312,457,541 are not available.

Taxpayer	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
The Developers (a)	$ 20,770,115	7.23%
Individual	1,750,845	0.61%
Individual	1,649,108	0.57%
Individual	1,475,629	0.51%
Individual	1,442,835	0.50%
Individual	1,352,368	0.47%
Individual	1,278,404	0.45%
Individual	1,241,431	0.43%
Individual	1,239,003	0.43%
Individual	1,227,200	0.43%
	$ 33,426,938	11.64%

(a) Consists of combined taxable valuation of TPHTL Rogers, LLC, Toll Southwest LLC and Tri Pointe Homes Texas Inc. See "THE DISTRICT," "THE DEVELOPERS" and "INVESTMENT CONSIDERATIONS—Dependence on the Developers."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2026 Taxable Assessed Valuation of $288,059,217 ($287,097,049 of certified value plus $962,168 of uncertified value) or the Estimated Taxable Assessed Valuation as of August 1, 2026, of $312,457,541. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

Average Annual Debt Service Requirement (2027-2052)	$2,570,829
$0.94 Tax Rate on the 2026 Taxable Assessed Valuation	$2,572,369
$0.87 Tax Rate on the Estimated Taxable Assessed Valuation as of August 1, 2026	$2,582,462
Maximum Annual Debt Service Requirement (2028)	$3,197,416
$1.17 Tax Rate on the 2026 Taxable Assessed Valuation	$3,201,778
$1.08 Tax Rate on the Estimated Taxable Assessed Valuation as of August 1, 2026	$3,205,814

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation will not be adjusted downward or that the Estimated Taxable Assessed Valuation as of August 1, 2026 provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or its inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy two, separate annual ad valorem taxes, each without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolutions to levy such a tax from year-to-year as described more fully herein under "THE BONDS—Source of Payment." Under Texas law, the District may also levy and collect an annual ad valorem tax for the operation and maintenance of the District. See "TAX DATA—Debt Service Tax" and "—Maintenance Tax."

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 the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, and mobile homes, are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; most individually owned automobiles; and intangible personal property. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such 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 of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran's residence homestead to which the disabled veterans' exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. 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 homesteads in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted an order granting a general residential homestead exemption.

Freeport Goods and Goods-in-Transit Exemptions: A "Freeport Exemption" applies to goods, wares, 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 that are destined to be forwarded outside of Texas and that are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for fewer 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 that are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Fort Bend County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the City and the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land, and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of

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

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

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

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

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described in the preceding section under "Levy and Collection of Taxes". In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

INVESTMENT CONSIDERATIONS

General

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

The City of Fulshear Water Supply and Distribution System

At the City Council meeting on September 19, 2023, the City Council considered issuing a moratorium on property development in the City after receiving complaints from residents regarding low water pressure on the City's water distribution system. After discussion and on guidance from the City attorney, the City Council declined to issue a moratorium on property development on the basis that the findings required by Chapter 212, Subchapter E of the Texas Local Government Code to impose a moratorium on property development could not be made at the time.

Since that time, the City has upgraded the existing Water Plant No. 1, as well as constructed a new elevated storage tank and a second water plant. These enhancements were completed at the end of 2025 and are designed to ensure adequate water pressure and flow to meet the immediate and near term demands of the City. Furthermore, the City has revised its capital improvement plan to address the future requirements arising from continued development, which is expected to increase the demand on the City's water system. The District is unable to predict whether the City Council may impose a moratorium on property development in the future.

Economic Factors and Interest Rates

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

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 36 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and the national financial and credit markets. A downturn in the economic conditions of Houston and the nation could adversely affect development and home-building plans in the District and restrain the growth or reduce the value of the District’s property tax base.

Competition

The demand for and construction of single-family homes in the District could be affected by competition from other residential developments located in the southwestern/western portion of the Houston metropolitan area, including Fort Bend County. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods. Such homes could represent additional competition for new homes proposed to be sold within the District.

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

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.

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2026 Taxable Assessed Valuation is $288,059,217 ($287,097,049 certified plus $962,168 uncertified). After issuance of the Bonds, the maximum annual debt service requirement will be $3,197,416 (2028), and the average annual debt service requirement will be $2,570,829 (2027-2052 inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, a tax rate of $1.17 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and $0.94 per $100 taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the average annual debt service requirements. The Estimated Taxable Assessed Valuation as of August 1, 2026, is $312,457,541, which reduces the above calculations to $1.08 and $0.87 per $100 of taxable assessed valuation, respectively. Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds and the Outstanding Bonds based upon the 2026 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of August 1, 2026, the District can make no representations regarding the future level of assessed valuation within the District. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "TAX DATA—Tax Adequacy for Debt Service."

No representation or suggestion is made that the uncertified portion ($962,168) of the 2026 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of August 1, 2026 will be the amounts finally certified by the Appraisal District and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

Dependence on the Developers

The ten principal taxpayers represent $33,426,938 or 11.64% of the certified portion of the 2026 Taxable Assessed Valuation of $288,059,217 within the District. The Developers represent $20,770,115 or 7.23% of the certified portion of the 2026 Taxable Assessed Valuation. An accurate principal taxpayer list related to the Estimated Taxable Assessed Valuation as of August 1, 2026, of $312,457,541, is not available as of the date hereof. See "THE DISTRICT," "THE DEVELOPERS" and "TAX DATA—Principal Taxpayers." The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy additional taxes or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Resolutions, nor is it required by Texas law, to maintain any particular balance in its Debt Service Funds or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes could have a material adverse effect upon the District's ability to pay debt service on the Bonds.

The Developers have informed the District that their current plans are to continue developing its property in the District and/or marketing lots. However, neither the Developers nor any future developer is obligated to implement development plans on any particular schedule or at all. Thus, the furnishing of any information related to any proposed development should not be interpreted as a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers to implement any plan of development. Furthermore, there is no restriction on any landowner's right to sell land. The District can make no prediction as to the effects that current or future economic conditions or governmental circumstances may have on any plans of the Developers or any other landowners.

Undeveloped Acreage and Vacant Lots

The District does not contain any remaining developable but undeveloped acres of land in the District. Approximately 268 vacant developed lots were available for home construction. Failure of the Developers to develop the developable land or of Tri Pointe Homes or Toll Brothers to construct taxable improvements on the developed lots could restrict the rate of growth of taxable values in the District. The District makes no representation as to the success of any homebuilding programs. See "THE DISTRICT—Land Use" and "—Status of Development."

Developer Obligation to the District

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

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid purpose. The District's voters have authorized a total of $264,750,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities; $264,750,000 principal amount of unlimited tax bonds for refunding of such bonds issued for constructing or acquiring water, wastewater and drainage facilities; $113,800,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related facilities; $113,800,000 principal amount of unlimited tax bonds for refunding of such bonds issued for road facilities, $20,060,000 principal amount of unlimited tax bonds for the purpose of constructing and/ or acquiring park and recreational facilities; and $20,060,000 principal amount of unlimited tax bonds for refunding bonds issued for park and recreational facilities. After the issuance of the Bonds, $245,250,000 principal amount of the unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities and $264,750,000 for refunding of such bonds will remain authorized but unissued, $92,335,000 principal amount of the unlimited tax bonds for road facilities and $113,800,000 for refunding of such bonds will remain authorized but unissued, and $20,060,000 for park and recreational facilities and $20,060,000 principal amount of unlimited tax bonds for refunding of such bonds will remain authorized but unissued. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The issuance of additional obligations may increase the District's tax rate and could adversely affect the security for, and the investment quality and value of, the Bonds.

To date, the Developers have advanced certain funds for engineering and construction of water, wastewater and drainage facilities, recreational facilities and roads and related facilities for which they have not been reimbursed. After the reimbursements are made with Bond proceeds, the District will owe approximately $25,800,000 plus interest to the Developers for utilities and recreational facilities. The District intends to issue additional bonds in order to reimburse the Developers and other landowners for existing development. The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed one percent (1%) of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. The issuance of additional bonds for water, wastewater and drainage facilities and park and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

Potential Effects of Oil Price Volatility on the Houston Area

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

Cybersecurity

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

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. Certain areas within the greater Houston area have experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 25, 2017, and brought historic levels of rainfall during the successive four days.

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

Specific Flood Type Risks

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

River (or Fluvial) Flood: occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheetflow overland. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash floods are very dangerous and destructive not only because of the force of the water, but also the hurtling debris that is often swept up in the flow. They can occur within minutes or a few hours of excessive rainfall. They can also occur even if no rain has fallen, for instance, after a levee or dam has failed, or after a sudden release of water by a debris or ice jam. Controlled releases from a dam or levee also could potentially create a flooding condition in rivers or man-made drainage systems (canals or channels) downstream.

Tax Collection Limitations and Foreclosure Remedies

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

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

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

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating the collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

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

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

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

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

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

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

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

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. 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.

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

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

Marketability of the Bonds

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

Changes in Tax Legislation

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

Continuing Compliance with Certain Covenants

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

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

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

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

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of two separate annual ad valorem taxes levied, without legal limitation as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

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

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

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

Tax Exemption

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

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

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

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

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

Not Qualified Tax-Exempt Obligations

The Bonds will not be designated "qualified tax-exempt obligations" for financial institutions.

Additional Federal Income Tax Considerations

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

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

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

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

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

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

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

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

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

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

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

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently enacted, proposed, pending or future legislation.

MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE

Moody's Investors Service ("Moody's") has assigned an underlying rating of "Baa3" to the Bonds. An explanation of the rating may be obtained from Moody's. The rating fees of Moody's will be paid by the District; however, the fees associated with any other rating will be the responsibility of the Underwriters.

Applications have also been made for municipal bond insurance on each series of bonds. If qualified, the purchase of municipal bond insurance with respect to the Series 2026 Bonds and the Series 2026A Road Bonds is optional and at the expense of each of the Underwriters. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance."

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

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

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

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the District's water, wastewater and storm drainage system and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by LJA, Inc., Consulting Engineers and has been included herein in reliance upon the authority of said firm as the District's Engineer.

Auditor: The District's financial statements for the period from inception to November 30, 2025 were audited by McGrath & Co., PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the District's November 30, 2025, financial statements.

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

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data which is customarily prepared by the District and is publicly available, annually to the MSRB.

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

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolutions make any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from the MSRB

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

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects; nor has the District agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and Beneficial Owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolutions if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriters from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

Since the District's first issuance of bonds in 2023, the District has complied in all material respects with its prior continuing disclosure agreements, made in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

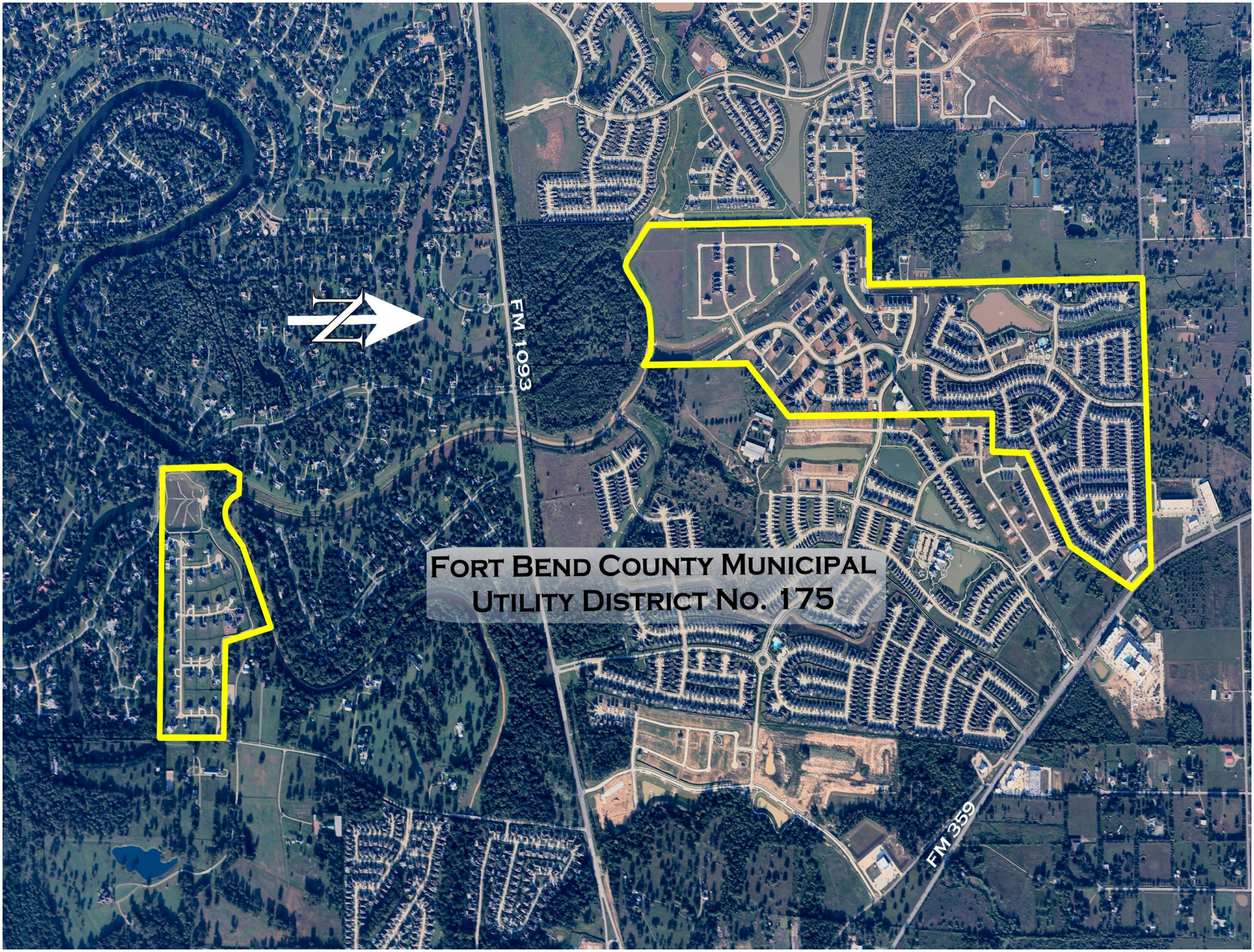
All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not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

/s/ _____
President, Board of Directors

ATTEST:

/s/ _____
Secretary, Board of Directors

AERIAL LOCATION MAP
(As of August 2026)


FM 1093
FM 359
Fort Bend County Municipal
Utility District No. 175

PHOTOGRAPHS OF THE DISTRICT
(As of August 2026)

Tyvek
HomeWrap

FTX
CONSTRUCTION
713-259-9011

APPENDIX A

Financial Statement of the District for the fiscal year ended November 30, 2025

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 175

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

November 30, 2025

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McGRATH & CO., PLLC
Certified Public Accountants
2900 North Loop West, Suite 880
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 175
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 175 (the "District"), as of and for the year ended November 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 175, as of November 30, 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.

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.

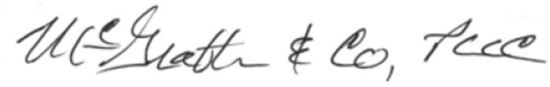
Required Supplementary Information

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

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.



Houston, Texas
March 5, 2026

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Management's Discussion and Analysis

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Using this Annual Report

This section of the financial report of Fort Bend County Municipal Utility District No. 175 (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended November 30, 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.

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 November 30, 2025, was negative $47,930,050. The District's net position is negative because the District incurs debt to construct water, sewer, drainage and road facilities which it conveys to the City of Fulshear. A comparative summary of the District's overall financial position, as of November 30, 2025 and 2024, is as follows:

	2025	2024
Current and other assets	$ 3,687,096	$ 2,242,277
Capital assets	10,978,841	8,728,238
Total assets	14,665,937	10,970,515
Current liabilities	848,995	437,388
Long-term liabilities	59,605,927	36,098,257
Total liabilities	60,454,922	36,535,645
Total deferred inflows of resources	2,141,065	1,071,228
Net position		
Net investment in capital assets	(2,132,451)	(1,429,360)
Restricted	557,034	916,694
Unrestricted	(46,354,633)	(26,123,692)
Total net position	$ (47,930,050)	$ (26,636,358)

The total net position of the District decreased during the current fiscal year by $21,293,692. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	2025	2024
Revenues		
Property taxes, penalties and interest	$ 1,052,122	$ 382,048
Other	59,851	33,715
Total revenues	1,111,973	415,763
Expenses		
Operating and administrative	453,401	507,232
Debt interest and fees	804,379	354,284
Developer interest	1,367,673	1,195,197
Debt issuance costs	1,216,252	1,088,564
Depreciation and amortization	320,550	252,041
Total expenses	4,162,255	3,397,318
Change in net position before other items	(3,050,282)	(2,981,555)
Other items		
Transfers to other governments	(18,243,410)	(7,022,596)
Change in net position	(21,293,692)	(10,004,151)
Net position, beginning of year	(26,636,358)	(16,632,207)
Net position, end of year	$ (47,930,050)	$ (26,636,358)

Financial Analysis of the District's Funds

The District's combined fund balances, as of November 30, 2025, were $1,502,573, which consists of $532,925 in the General Fund, $825,376 in the Debt Service Fund, and $144,272 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of November 30, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 1,158,495	$ 987,288
Total liabilities	$ 21,121	$ 12,012
Total deferred inflows	604,449	931,503
Total fund balance	532,925	43,773
Total liabilities, deferred inflows and fund balance	$ 1,158,495	$ 987,288

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

	2025	2024
Total revenues	$ 915,036	$ 376,979
Total expenditures	(425,884)	(283,335)
Revenues over expenditures	489,152	93,644
Other changes in fund balance		(15,113)
Net change in fund balance	$ 489,152	$ 78,531

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, which is 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.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of November 30, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 2,411,607	$ 1,230,149
Total liabilities	$ 37,444	$ 2,680
Total deferred inflows	1,548,787	139,725
Total fund balance	825,376	1,087,744
Total liabilities, deferred inflows and fund balance	$ 2,411,607	$ 1,230,149

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

	2025	2024
Total revenues	$ 184,652	$ 38,608
Total expenditures	(1,009,676)	(238,340)
Revenues under expenditures	(825,024)	(199,732)
Other changes in fund balance	562,656	1,287,476
Net change in fund balance	$ (262,368)	$ 1,087,744

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 changes 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 November 30, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 145,022	$ 24,840
Total liabilities	$ 750	$ -
Total fund balance	144,272	24,840
Total liabilities and fund balance	$ 145,022	$ 24,840

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

	2025	2024
Total revenues	$ 114	$ 176
Total expenditures	(13,318,026)	(11,668,973)
Revenues under expenditures	(13,317,912)	(11,668,797)
Other changes in fund balance	13,437,344	11,693,637
Net change in fund balance	$ 119,432	$ 24,840

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 Road Bonds, Series 2025 Unlimited Tax Bonds and Series 2025A Unlimited Tax Road Bonds in the current fiscal year and the sale of its Series 2023 Unlimited Tax Road Bonds and Series 2024 Unlimited Tax Bonds 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 amended the budget during the year to reflect changes in anticipated expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $8,826 greater than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into a financing agreement with its developer for the financing of the construction of capital assets within the District. The Developer 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.

Capital assets held by the District at November 30, 2025 and 2024, are summarized as follows:

	2025	2024
Capital assets not being depreciated		
Land and improvements	$ 4,034,578	$ 3,101,104
Capital assets being depreciated/amortized		
Recreational facilities	1,488,562	1,488,562
Landscaping improvements	2,632,468	1,618,947
Impact fees	3,460,650	2,836,492
	7,581,680	5,944,001
Less accumulated depreciation/amortization		
Recreational facilities	(163,952)	(81,976)
Landscaping improvements	(298,050)	(156,100)
Impact fees	(175,415)	(78,791)
	(637,417)	(316,867)
Depreciable capital assets, net	6,944,263	5,627,134
Capital assets, net	$ 10,978,841	$ 8,728,238

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

- Water and wastewater impact fees
- Pecan Ridge, Phase 2 - landscaping improvements
- Bray Tract - detention pond

The District and the City of Fulshear (the "City") have entered into an agreement which obligates the District to construct water distribution lines, wastewater collection systems, drainage facilities, and roads to serve the District and, when completed, to convey title to the facilities to the City (see Note 10). Consequently, these projects are not recorded as capital assets on the District's financial statements, but are recorded as transfers to other governments upon completion of construction. For the year ended November 30, 2025, capital assets in the amount of $18,243,410 have been completed and recorded as transfers to other governments in the government-wide statements. Additional information is presented in Notes 9 and 10.

Long-Term Debt and Related Liabilities

As of November 30, 2025, the District owes approximately $33,275,927 to the developer for completed projects. 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 6, the District has an additional commitment in the amount of $4,010,000 for projects under construction by the developer. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer 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 November 30, 2025 and 2024, the District had total bonded debt outstanding as shown below:

Series	2025	2024
2023 Road	$ 5,090,000	$ 5,190,000
2024	7,815,000	8,000,000
2025 Road	4,000,000	
2025	6,000,000	
2025A Road	4,000,000	
	$ 26,905,000	$ 13,190,000

During the current fiscal year, the District issued $8,000,000 in unlimited tax road bonds and $6,000,000 in unlimited tax bonds. At November 30, 2025, the District had $250,750,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and $264,750,000 for the refunding of such bonds; $20,060,000 for parks and recreational facilities and $20,060,000 for the refunding of such bonds; and $100,610,000 for road improvements and $113,800,000 for the refunding of such bonds.

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 the projected cost of operating the District. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

	2025 Actual	2026 Budget
Total revenues	$ 915,036	$ 625,000
Total expenditures	(425,884)	(452,774)
Revenues over expenditures	489,152	172,226
Beginning fund balance	43,773	532,925
Ending fund balance	$ 532,925	$ 705,151

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 175
Statement of Net Position and Governmental Funds Balance Sheet
November 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 20,293	$ 191,928	$ 145,022	$ 357,243	$ -	$ 357,243
Investments	543,530	768,950		1,312,480		1,312,480
Taxes receivable	566,644	1,450,729		2,017,373		2,017,373
Interfund receivables	28,028			28,028	(28,028)	
Capital assets not being depreciated					4,034,578	4,034,578
Capital assets, net					6,944,263	6,944,263
Total Assets	$ 1,158,495	$ 2,411,607	$ 145,022	$ 3,715,124	10,950,813	14,665,937
Liabilities						
Accounts payable	$ 21,121	$ -	$ 750	$ 21,871		21,871
Other payables		9,416		9,416		9,416
Interfund payables		28,028		28,028	(28,028)	
Accrued interest payable					242,708	242,708
Due to developer					33,275,927	33,275,927
Long-term debt						
Due within one year					575,000	575,000
Due after one year					26,330,000	26,330,000
Total Liabilities	21,121	37,444	750	59,315	60,395,607	60,454,922
Deferred Inflows of Resources						
Deferred property taxes	604,449	1,548,787		2,153,236	(12,171)	2,141,065
Fund Balances/Net Position						
Fund Balances						
Restricted		825,376	144,272	969,648	(969,648)	
Unassigned	532,925			532,925	(532,925)	
Total Fund Balances	532,925	825,376	144,272	1,502,573	(1,502,573)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,158,495	$ 2,411,607	$ 145,022	$ 3,715,124		
Net Position						
Net investment in capital assets					(2,132,451)	(2,132,451)
Restricted for debt service					557,034	557,034
Unrestricted					(46,354,633)	(46,354,633)
Total Net Position					$ (47,930,050)	$ (47,930,050)

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 175
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended November 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 894,709	$ 134,206	$ -	$ 1,028,915	$ 12,171	$ 1,041,086
Penalties and interest		11,036		11,036		11,036
Miscellaneous		40		40		40
Investment earnings	20,327	39,370	114	59,811		59,811
Total Revenues	915,036	184,652	114	1,099,802	12,171	1,111,973
Expenditures/Expenses						
Operating and administrative						
Professional fees	100,676		2,008	102,684		102,684
Contracted services	36,000	22,522		58,522		58,522
Repairs and maintenance	253,089			253,089		253,089
Utilities	1,826			1,826		1,826
Administrative	22,853	2,787		25,640		25,640
Other	11,440		200	11,640		11,640
Capital outlay			10,731,893	10,731,893	(10,731,893)	
Debt service						
Principal		285,000		285,000	(285,000)	
Interest and fees		699,367		699,367	105,012	804,379
Developer interest			1,367,673	1,367,673		1,367,673
Debt issuance costs			1,216,252	1,216,252		1,216,252
Depreciation and amortization					320,550	320,550
Total Expenditures/Expenses	425,884	1,009,676	13,318,026	14,753,586	(10,591,331)	4,162,255
Revenues Over/(Under) Expenditures/Expenses	489,152	(825,024)	(13,317,912)	(13,653,784)	10,603,502	(3,050,282)
Other Financing Sources						
Proceeds from sale of bonds		562,656	13,437,344	14,000,000	(14,000,000)	
Other Items						
Transfers to other governments					(18,243,410)	(18,243,410)
Net Change in Fund Balances	489,152	(262,368)	119,432	346,216	(346,216)	
Change in Net Position					(21,293,692)	(21,293,692)
Fund Balance/Net Position						
Beginning of the year	43,773	1,087,744	24,840	1,156,357	(27,792,715)	(26,636,358)
End of the year	$ 532,925	$ 825,376	$ 144,272	$ 1,502,573	$ (49,432,623)	$ (47,930,050)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 175 (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

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated January 27, 2022, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on February 3, 2022 and the first bonds were issued on December 7, 2023.

The District is responsible for providing water, sewer, drainage, parks and recreation and road facilities within the District. As further discussed in Note 10, the District transfers water, sewer, certain drainage and road facilities to the City of Fulshear for operation and maintenance upon completion of construction. 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 and all other financial transactions not reported in other funds. The principal source of revenue is property taxes. 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 and interest earned on investments. Property taxes receivable at the end of 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.

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 November 30, 2025, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund 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 $100,000.

Capital assets are recorded at historical cost or estimated historical cost. 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 and wastewater impact fees, are amortized using the straight-line method as follows:

Assets	Useful Life
Impact fees	Remaining life of contract
Landscaping improvements	10-20 years
Recreational facilities	10-20 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.

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 does not have any nonspendable fund balances.

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 useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the City of Fulshear 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.

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		$ 1,502,573
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 11,616,258	
Less accumulated depreciation/amortization	(637,417)	
		10,978,841
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	(242,708)	
Due to developer	(33,275,927)	
Bonds payable, net	(26,905,000)	
		(60,423,635)
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	2,153,236	
Government-wide level deferred property taxes	(2,141,065)	
		12,171
Total net position - governmental activities		$ (47,930,050)

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		$ 346,216
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.		12,171
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	$ 10,731,893	
Transfers to other governments	(18,243,410)	
Depreciation/amortization expense	(320,550)	
		(7,832,067)
Financial reporting for long-term 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 liabilities are acquired 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:		
Issuance of long-term debt	(14,000,000)	
Principal payments - bonds	285,000	
Interest expense accrual	(105,012)	
		(13,820,012)
Change in net position of governmental activities		$ (21,293,692)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) 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.

As of November 30, 2025, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexSTAR	General	$ 543,530		
	Debt Service	768,950		
Total		$ 1,312,480	AAAm	41 days

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.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at November 30, 2025, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 28,028	Maintenance tax collections not remitted as of year end

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

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended November 30, 2025, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 3,101,104	$ 933,474	$ 4,034,578
Capital assets being depreciated/amortized			
Recreational facilities	1,488,562		1,488,562
Landscaping improvements	1,618,947	1,013,521	2,632,468
Impact fees	2,836,492	624,158	3,460,650
	5,944,001	1,637,679	7,581,680
Less accumulated depreciation/amortization			
Recreational facilities	(81,976)	(81,976)	(163,952)
Landscaping improvements	(156,100)	(141,950)	(298,050)
Impact fees	(78,791)	(96,624)	(175,415)
	(316,867)	(320,550)	(637,417)
Subtotal depreciable capital assets, net	5,627,134	1,317,129	6,944,263
Capital assets, net	$ 8,728,238	$ 2,250,603	$ 10,978,841

Depreciation/amortization expense for the current fiscal year was $320,550.

Note 6 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, park and recreational facilities and road improvements. Under the agreements, the developer will construct facilities on behalf of the District. The developer 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.

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

Due to developer, beginning of year	$ 23,193,257
Developer reimbursements	(10,731,893)
Developer funded construction and adjustments	20,814,563
Due to developer, end of year	$ 33,275,927

In addition, the District will owe the developer approximately $4,010,000, 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.

	Contract Amount *
Emergency reconstruction of drainage channel A	$ 500,000
Pecan Ridge, Section 13 - utilities	1,080,000
Pecan Ridge, Section 13 - paving	1,320,000
Pecan Ridge, Phase 3 - landscaping improvements	1,110,000
	$ 4,010,000

* Rounded to the nearest $10,000

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 26,905,000
Due within one year	$ 575,000

The District's bonds payable at November 30, 2025, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2023 Road	$ 5,090,000	$ 5,190,000	4.50% - 6.00%	September 1, 2025/2049	March 1, September 1	September 1, 2030
2024	7,815,000	8,000,000	4.00% - 6.50%	September 1, 2025/2050	March 1, September 1	September 1, 2030
2025 Road	4,000,000	4,000,000	4.00% - 6.50%	September 1, 2026/2051	March 1, September 1	September 1, 2031
2025	6,000,000	6,000,000	4.00% - 6.50%	September 1, 2026/2051	March 1, September 1	September 1, 2031
2025A Road	4,000,000	4,000,000	4.00% - 6.50%	September 1, 2027/2051	March 1, September 1	September 1, 2031
	$ 26,905,000					

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.

At November 30, 2025, the District had authorized but unissued bonds in the amount of $250,750,000 for water, sewer and drainage facilities and $264,750,000 for the refunding of such bonds; $100,610,000 for road facilities and $113,800,000 for the refunding of such bonds; $20,060,000 for park and recreational facilities and $20,060,000 for the refunding of such bonds.

On March 27, 2025, the District issued its $4,000,000 Series 2025 Unlimited Tax Road Bonds at a net effective interest rate of 4.369508%. 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 pay for the acquisition of land for certain District facilities; and (3) to pay capitalized interest into the Debt Service Fund.

On October 30, 2025, the District issued its $6,000,000 Series 2025 Unlimited Tax Bonds at a net effective interest rate of 4.540317%. Proceeds of the bonds were used to (1) reimburse the developer for the following: the construction of capital assets within the District; engineering and other costs associated with the construction of capital assets; water and wastewater impact fees; the acquisition of land for certain District facilities; (2) to pay developer interest at the net effective interest rate of the bonds; and (3) to pay capitalized interest into the Debt Service Fund.

On October 30, 2025, the District issued its $4,000,000 Series 2025A Unlimited Tax Road Bonds at a net effective interest rate of 4.645631%. 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 pay for the acquisition of land for certain District facilities; and (3) 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	$ 13,190,000
Bonds issued	14,000,000
Bonds retired	(285,000)
Bonds payable, end of year	$ 26,905,000

As of November 30, 2025, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2026	$ 575,000	$ 1,207,181	$ 1,782,181
2027	730,000	1,250,134	1,980,134
2028	750,000	1,204,754	1,954,754
2029	765,000	1,158,044	1,923,044
2030	790,000	1,110,319	1,900,319
2031	805,000	1,063,919	1,868,919
2032	830,000	1,016,768	1,846,768
2033	850,000	972,456	1,822,456
2034	880,000	930,381	1,810,381
2035	905,000	888,681	1,793,681
2036	935,000	849,856	1,784,856
2037	970,000	809,681	1,779,681
2038	995,000	767,956	1,762,956
2039	1,030,000	725,081	1,755,081
2040	1,065,000	679,581	1,744,581
2041	1,105,000	632,318	1,737,318
2042	1,140,000	582,993	1,722,993
2043	1,180,000	532,068	1,712,068
2044	1,225,000	479,081	1,704,081
2045	1,275,000	423,756	1,698,756
2046	1,315,000	366,120	1,681,120
2047	1,375,000	305,863	1,680,863
2048	1,420,000	242,757	1,662,757
2049	1,480,000	176,908	1,656,908
2050	1,520,000	108,170	1,628,170
2051	995,000	42,917	1,037,917
	$ 26,905,000	$ 18,527,743	$ 45,432,743

Note 8 – Property Taxes

On May 7, 2022, 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 and a rate limited to $0.25 per $100 of assessed value for the maintenance of road facilities. 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. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

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 $1.00 was allocated to maintenance and operations and $0.15 was allocated to debt service. The resulting tax levy was $1,038,890 on the adjusted taxable value of $90,338,228.

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 $135,863 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 $2,141,065 is reported as deferred inflows. These amounts will be recognized as revenue in 2026.

Property taxes receivable, at November 30, 2025, consisted of the following:

Current year taxes receivable	$ 2,005,202
Prior years taxes receivable	9,975
	2,015,177
Penalty and interest receivable	2,196
Property taxes receivable	$ 2,017,373

Note 9 – Transfers to Other Governments

In accordance with an agreement between the District and the City of Fulshear (the "City"), the District transfers all of its water, sewer, drainage and road facilities to the City (see Note 10). Accordingly, the District does not record these capital assets in the *Statement of Net Position*, but instead reports the completed projects as transfers to other governments on the *Statement of Activities*. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended November 30, 2025, the District reported transfers to other governments in the amount of $18,243,410 for projects completed and transferred to the City.

Note 10 – Utility Agreement with the City of Fulshear

On June 9, 2020, the District entered into a Utility Agreement with the City of Fulshear (the "City"), subsequently amended September 15, 2020, and November 16, 2021, for construction, extension, and conveyance of water distribution lines, wastewater collection systems and drainage facilities to serve the District. As the system is acquired or constructed, the District shall transfer the system, with the exception of detention ponds, to the City but will reserve a security interest in the system. The term of the agreement is 40 years.

Water and sewer rates charged by the City to users in the District, shall be the same rates charged to similar users within the City. All revenue derived from these charges belongs to the City.

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and 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.

Note 12 – Subsequent Event

On February 5, 2026, the District approved the sale of its Series 2026 Unlimited Tax Road Bonds in the amount of $3,500,000. Proceeds from the bonds will be used to reimburse the District's developer for infrastructure improvements in the District.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 175
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 900,000	$ 900,000	$ 894,709	$ (5,291)
Investment earnings			20,327	20,327
Total Revenues	900,000	900,000	915,036	15,036
Expenditures				
Operating and administrative				
Professional fees	121,500	121,500	100,676	20,824
Contracted services	36,000	36,000	36,000	
Repairs and maintenance	158,400	228,400	253,089	(24,689)
Utilities	1,500	1,500	1,826	(326)
Administrative	27,274	27,274	22,853	4,421
Other	5,000	5,000	11,440	(6,440)
Total Expenditures	349,674	419,674	425,884	(6,210)
Revenues Over Expenditures	550,326	480,326	489,152	8,826
Fund Balance				
Beginning of the year	43,773	43,773	43,773	
End of the year	$ 594,099	$ 524,099	$ 532,925	$ 8,826

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. The budget was amended during the year to reflect changes in anticipated expenditures.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 175
TSI-1. Services and Rates
November 30, 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 interconnect)

☒ Other (Specify): Potable water, wastewater, storm sewer facilities and roads accepted by the City of Fulshear for operation and maintenance.

2. Retail Service Providers N/A

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

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

Total charges per 10,000 gallons usage: Water _____ Wastewater _____

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

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

Gallons pumped into system:	N/A	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	N/A	N/A

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

Does the District have Debt Service standby fees? Yes [ ] No [X]

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

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

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

5. Location of District

Is the District located entirely within one county? Yes [X] No [ ]

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

Is the District located within a city? Entirely [ ] Partly [ ] Not at all [X]

City(ies) in which the District is located: _____

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

Entirely [X] 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 [X]

If Yes, by whom? _____

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-2. General Fund Expenditures
For the Year Ended November 30, 2025

Professional fees	
Legal	$ 66,508
Audit	16,500
Engineering	17,668
	100,676
Contracted services	
Bookkeeping	36,000
Repairs and maintenance	253,089
Utilities	1,826
Administrative	
Directors fees	13,703
Printing and office supplies	1,317
Insurance	3,711
Other	4,122
	22,853
Other	11,440
Total expenditures	$ 425,884

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-3. Investments
November 30, 2025

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexSTAR	Variable	N/A	$ 543,530
Debt Service			
TexSTAR	Variable	N/A	509,326
TexSTAR	Variable	N/A	259,624
			768,950
Total - All Funds			$ 1,312,480

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-4. Taxes Levied and Receivable
November 30, 2025

	Maintenance Taxes	Debt Service WSD Taxes	Debt Service Road Taxes	Totals
Taxes Receivable, Beginning of Year	$ 898,149	$ 134,722	$ -	$ 1,032,871
Adjustments to Prior Year Tax Levy	(28,120)	(4,218)		(32,338)
Adjusted Receivable	870,029	130,504		1,000,533
2025 Original Tax Levy	597,097	746,371	802,349	2,145,817
Adjustments	(1,322)	(1,653)	(1,777)	(4,752)
Adjusted Tax Levy	595,775	744,718	800,572	2,141,065
Total to be accounted for	1,465,804	875,222	800,572	3,141,598
Tax collections:				
Current year	37,805	47,257	50,801	135,863
Prior years	861,355	129,203		990,558
Total Collections	899,160	176,460	50,801	1,126,421
Taxes Receivable, End of Year	$ 566,644	$ 698,762	$ 749,771	$ 2,015,177
Taxes Receivable, By Years				
2025	$ 557,970	$ 697,461	$ 749,771	$ 2,005,202
2024	8,674	1,301		9,975
Taxes Receivable, End of Year	$ 566,644	$ 698,762	$ 749,771	$ 2,015,177

	2025	2024	2023	2022
Property Valuations:				
Land	$ 58,697,805	$ 42,791,748	$ 29,160,103	$ 17,367,680
Improvements	137,636,169	49,199,137	3,650,566	4,000
Personal Property	568,595	588,916		
Exemptions	(10,722,968)	(2,241,573)	(42,613)	(9,978,880)
Total Property Valuations	$ 186,179,601	$ 90,338,228	$ 32,768,056	$ 7,392,800
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.32	$ 1.00	$ 1.15	$ 1.15
Debt service WSD tax rates	0.40	0.15		
Debt service road tax rates	0.43			
Total Tax Rates per $100 Valuation	$ 1.15	$ 1.15	$ 1.15	$ 1.15
Adjusted Tax Levy:	$ 2,141,065	$ 1,038,890	$ 376,833	$ 85,017
Percentage of Taxes Collected to Taxes Levied **	6.35%	99.04%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on May 7, 2022
** Maximum Road Tax Rate Approved by Voters: $0.25 on May 7, 2022
*** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
Series 2023 Road--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 105,000	$ 290,720	$ 395,720
2027	115,000	285,890	400,890
2028	120,000	280,485	400,485
2029	125,000	274,725	399,725
2030	135,000	268,600	403,600
2031	140,000	261,850	401,850
2032	150,000	254,850	404,850
2033	155,000	246,600	401,600
2034	165,000	238,075	403,075
2035	175,000	229,000	404,000
2036	185,000	219,375	404,375
2037	195,000	209,200	404,200
2038	205,000	198,475	403,475
2039	215,000	187,200	402,200
2040	225,000	174,300	399,300
2041	240,000	160,800	400,800
2042	250,000	146,400	396,400
2043	265,000	131,400	396,400
2044	280,000	115,500	395,500
2045	295,000	98,700	393,700
2046	310,000	81,000	391,000
2047	330,000	62,400	392,400
2048	345,000	42,600	387,600
2049	365,000	21,900	386,900
	$ 5,090,000	$ 4,480,045	$ 9,570,045

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 160,000	$ 338,706	$ 498,706
2027	165,000	328,306	493,306
2028	175,000	317,581	492,581
2029	185,000	306,206	491,206
2030	195,000	294,181	489,181
2031	205,000	284,431	489,431
2032	215,000	274,181	489,181
2033	225,000	265,581	490,581
2034	240,000	256,581	496,581
2035	250,000	246,981	496,981
2036	265,000	236,981	501,981
2037	280,000	226,381	506,381
2038	290,000	215,181	505,181
2039	305,000	203,581	508,581
2040	325,000	191,381	516,381
2041	340,000	178,381	518,381
2042	360,000	164,781	524,781
2043	375,000	150,381	525,381
2044	395,000	135,381	530,381
2045	420,000	119,581	539,581
2046	440,000	102,782	542,782
2047	465,000	84,632	549,632
2048	485,000	65,451	550,451
2049	515,000	44,839	559,839
2050	540,000	22,951	562,951
	$ 7,815,000	$ 5,055,400	$ 12,870,400

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
Series 2025 Road--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 80,000	$ 178,125	$ 258,125
2027	80,000	172,925	252,925
2028	85,000	167,725	252,725
2029	90,000	162,200	252,200
2030	95,000	156,350	251,350
2031	100,000	150,175	250,175
2032	105,000	143,675	248,675
2033	110,000	136,850	246,850
2034	115,000	132,450	247,450
2035	120,000	127,850	247,850
2036	125,000	123,050	248,050
2037	135,000	118,050	253,050
2038	140,000	112,650	252,650
2039	150,000	107,050	257,050
2040	155,000	101,050	256,050
2041	165,000	94,850	259,850
2042	170,000	88,250	258,250
2043	180,000	81,450	261,450
2044	190,000	74,250	264,250
2045	200,000	66,413	266,413
2046	205,000	58,163	263,163
2047	220,000	49,706	269,706
2048	230,000	40,631	270,631
2049	240,000	31,144	271,144
2050	250,000	21,244	271,244
2051	265,000	10,930	275,930
	$ 4,000,000	$ 2,707,206	$ 6,707,206

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
Series 2025--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 230,000	$ 243,392	$ 473,392
2027	235,000	276,150	511,150
2028	235,000	260,875	495,875
2029	235,000	245,600	480,600
2030	235,000	230,325	465,325
2031	230,000	215,050	445,050
2032	230,000	200,100	430,100
2033	230,000	185,150	415,150
2034	230,000	170,200	400,200
2035	230,000	156,975	386,975
2036	230,000	147,775	377,775
2037	230,000	138,575	368,575
2038	230,000	129,375	359,375
2039	230,000	120,175	350,175
2040	230,000	110,975	340,975
2041	230,000	101,775	331,775
2042	230,000	92,575	322,575
2043	230,000	83,375	313,375
2044	230,000	74,175	304,175
2045	230,000	64,975	294,975
2046	230,000	55,775	285,775
2047	230,000	46,575	276,575
2048	230,000	37,375	267,375
2049	230,000	28,175	258,175
2050	230,000	18,975	248,975
2051	230,000	9,487	239,487
	$ 6,000,000	$ 3,443,929	$ 9,443,929

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
Series 2025A Road--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ -	$ 156,238	$ 156,238
2027	135,000	186,863	321,863
2028	135,000	178,088	313,088
2029	130,000	169,313	299,313
2030	130,000	160,863	290,863
2031	130,000	152,413	282,413
2032	130,000	143,962	273,962
2033	130,000	138,275	268,275
2034	130,000	133,075	263,075
2035	130,000	127,875	257,875
2036	130,000	122,675	252,675
2037	130,000	117,475	247,475
2038	130,000	112,275	242,275
2039	130,000	107,075	237,075
2040	130,000	101,875	231,875
2041	130,000	96,512	226,512
2042	130,000	90,987	220,987
2043	130,000	85,462	215,462
2044	130,000	79,775	209,775
2045	130,000	74,087	204,087
2046	130,000	68,400	198,400
2047	130,000	62,550	192,550
2048	130,000	56,700	186,700
2049	130,000	50,850	180,850
2050	500,000	45,000	545,000
2051	500,000	22,500	522,500
	$ 4,000,000	$ 2,841,163	$ 6,841,163

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
November 30, 2025

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 575,000	$ 1,207,181	$ 1,782,181
2027	730,000	1,250,134	1,980,134
2028	750,000	1,204,754	1,954,754
2029	765,000	1,158,044	1,923,044
2030	790,000	1,110,319	1,900,319
2031	805,000	1,063,919	1,868,919
2032	830,000	1,016,768	1,846,768
2033	850,000	972,456	1,822,456
2034	880,000	930,381	1,810,381
2035	905,000	888,681	1,793,681
2036	935,000	849,856	1,784,856
2037	970,000	809,681	1,779,681
2038	995,000	767,956	1,762,956
2039	1,030,000	725,081	1,755,081
2040	1,065,000	679,581	1,744,581
2041	1,105,000	632,318	1,737,318
2042	1,140,000	582,993	1,722,993
2043	1,180,000	532,068	1,712,068
2044	1,225,000	479,081	1,704,081
2045	1,275,000	423,756	1,698,756
2046	1,315,000	366,120	1,681,120
2047	1,375,000	305,863	1,680,863
2048	1,420,000	242,757	1,662,757
2049	1,480,000	176,908	1,656,908
2050	1,520,000	108,170	1,628,170
2051	995,000	42,917	1,037,917
	$ 26,905,000	$ 18,527,743	$ 45,432,743

See accompanying auditor's report.

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Fort Bend County Municipal Utility District No. 175
TSI-6. Change in Long-Term Bonded Debt
November 30, 2025

	Bond Issue			
	Series 2023 Road	Series 2024	Series 2025 Road	Series 2025
Interest rate	4.50% - 6.00%	4.00% - 6.50%	4.00% - 6.50%	4.00% - 6.50%
Dates interest payable	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1
Maturity dates	9/1/25 - 9/1/49	9/1/25 - 9/1/50	9/1/26 - 9/1/51	9/1/26 - 9/1/51
Beginning bonds outstanding	$ 5,190,000	$ 8,000,000	$ -	$ -
Bonds issued			4,000,000	6,000,000
Bonds retired	(100,000)	(185,000)		
Ending bonds outstanding	$ 5,090,000	$ 7,815,000	$ 4,000,000	$ 6,000,000
Interest paid during fiscal year	$ 295,220	$ 327,349	$ 76,198	$ -
Paying agent's name and city All Series	BOKF, NA, Dallas, Texas			

Bond Authority:	Water, Sewer and Drainage Bonds	Park and Recreational Bonds	Road Bonds
Amount Authorized by Voters	$ 264,750,000	$ 20,060,000	$ 113,800,000
Amount Issued	(14,000,000)		(13,190,000)
Remaining To Be Issued	$ 250,750,000	$ 20,060,000	$ 100,610,000

Bond Authority:	Water, Sewer and Drainage Refunding Bonds	Park and Recreational Refunding Bonds	Road Refunding Bonds
Amount Authorized by Voters	$ 264,750,000	$ 20,060,000	$ 113,800,000
Amount Issued			
Remaining To Be Issued	$ 264,750,000	$ 20,060,000	$ 113,800,000

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 November 30, 2025:	$ 960,878
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,747,413

See accompanying auditor's report.

Bond Issue Series 2025A Road	Totals
4.00% - 6.50% 3/1; 9/1 9/1/27 - 9/1/51	
$ -	$ 13,190,000
4,000,000	14,000,000
	(285,000)
$ 4,000,000	$ 26,905,000
$ -	$ 698,767

Fort Bend County Municipal Utility District No. 175
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Four Fiscal Years

	Amounts			
	2025	2024	2023	2022
Revenues				
Property taxes	$ 894,709	$ 376,595	$ 84,628	$ -
Penalties and interest			108	
Investment earnings	20,327	384	187	11
Total Revenues	915,036	376,979	84,923	11
Expenditures				
Operating and administrative				
Professional fees	100,676	115,632	81,192	80,342
Contracted services	36,000	36,109	15,750	8,000
Repairs and maintenance	253,089	106,795	129,895	
Utilities	1,826	1,607	639	
Administrative	22,853	16,931	16,080	10,635
Other	11,440	6,261	678	481
Total Expenditures	425,884	283,335	244,234	99,458
Revenues Over/(Under) Expenditures	489,152	93,644	(159,311)	(99,447)
Other Financing Sources/(Uses)				
Developer advances			127,500	96,500
Internal transfers		(15,113)		
Net Change in Fund Balance	489,152	78,531	(31,811)	(2,947)
Fund Balance, Beginning of the year	43,773	(34,758)	(2,947)	
End of the year	$ 532,925	$ 43,773	$ (34,758)	$ (2,947)

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues			
2025	2024	2023	2022
98%	100%	100%	-%
		*	
2%	*	*	-
100%	100%	100%	-
11%	31%	96%	-
4%	10%	19%	-
28%	28%	153%	
*	*	1%	
2%	4%	19%	-
1%	2%	1%	-
46%	75%	289%	-
54%	25%	(189%)	-%

Fort Bend County Municipal Utility District No. 175
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Two Fiscal Years

	Amounts		Percent of Fund Total Revenues	
	2025	2024	2025	2024
Revenues				
Property taxes	$ 134,206	$ -	73%	
Penalties and interest	11,036	5,453	6%	14%
Miscellaneous	40	60	*	*
Investment earnings	39,370	33,095	21%	86%
Total Revenues	184,652	38,608	100%	100%
Expenditures				
Tax collection services	25,309	21,752	14%	56%
Debt service				
Principal	285,000		154%	
Interest and fees	699,367	216,588	379%	561%
Total Expenditures	1,009,676	238,340	547%	617%
Revenues Under Expenditures	(825,024)	(199,732)	(447%)	(517%)
Other Financing Sources				
Proceeds from sale of bonds	562,656	1,272,363		
Internal transfers		15,113		
Net Change in Fund Balance	(262,368)	1,087,744		
Fund Balance, Beginning of the year	1,087,744			
End of the year	$ 825,376	$ 1,087,744		

*Percentage is negligible

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 175
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended November 30, 2025

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	June 6, 2024
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Alexa Cox	05/24 - 05/28	$ 2,210	$ 149	President
Lee Russell	05/22 - 05/26	3,757	186	Vice President
Bertha Fair	07/25 - 05/28	1,989	126	Secretary
Michael Moyer	01/23 - 05/26	1,989	216	Assistant Vice President
Susan Wang	05/22 - 05/26	2,431	72	Assistant Secretary
Glen H. Freeland	05/24 - 07/25	1,326	198	Former Director
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	2022			Attorney
General legal fees		$ 67,965		
Bond counsel		404,128		
Myrtle Cruz, Inc.	2022	45,981		Bookkeeper
Assessments of the Southwest, Inc.	2022	6,208		Tax Collector
Fort Bend Central Appraisal District	Legislation	12,184		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2022	4,130		Delinquent Tax Attorney
LJA Engineering, Inc.	2022	15,589		Engineer
McGrath & Co., PLLC	2023	39,000		Auditor
Masterson Advisors LLC	2022	292,985		Financial Advisor
Kudela & Weinheimer	2022	2,175		Landscaping Architect

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

See accompanying auditor's report.