NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY
(Grayson County, Texas)

PRELIMINARY OFFICIAL STATEMENT
DATED: SEPTEMBER 1, 2026

$3,185,000
UNLIMITED TAX ROAD BONDS
SERIES 2026

BIDS TO BE SUBMITTED BY: 9:30 A.M., CENTRAL TIME
TUESDAY, OCTOBER 6, 2026

BONDS TO BE AWARDED: 12:00 P.M., CENTRAL TIME
TUESDAY, OCTOBER 6, 2026

CEDAR CREEK
MUNICIPAL ADVISORS

Financial Advisor

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 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 1, 2026

This Preliminary Official Statement is subject to completion and amendment and is intended for the solicitation of initial bids to purchase the Bonds (herein defined). Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser (herein defined).

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

The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations for Financial Institutions."

NEW ISSUE—Book-Entry-Only Non-Rated

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY
(A political subdivision of the State of Texas, located within Grayson County)

$3,185,000
Unlimited Tax Road Bonds
Series 2026

Interest accrues from: Date of Delivery

Dated: November 1, 2026 **Due: September 1, as shown on inside cover**

The $3,185,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds"), are solely obligations of Noble Ridge Municipal Utility District of Grayson County (the "District") and are not obligations of the State of Texas; Grayson County, Texas (the "County"); the City of Howe, Texas (the "City"); or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Grayson County, Texas; the City of Howe, Texas; nor any entity other than the District is pledged to the payment of the principal of or the interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (on or about November 5, 2026) (the "Date of Delivery"), and is payable March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS—Book-Entry-Only System."

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

The Bonds constitute the second (2nd) series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"). When issued, the Bonds will constitute valid and legally binding obligations of the District payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. See "THE BONDS—Source of Payment." THE DISTRICT IS IN THE EARLY STAGES OF DEVELOPMENT AND THERE IS A HIGH CONCENTRATION OF OWNERSHIP OF TAXABLE VALUE IN THE DISTRICT. INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN RISK FACTORS AS DESCRIBED HEREIN. PROSPECTIVE PURCHASERS SHOULD REVIEW THIS ENTIRE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION OF THIS OFFICIAL STATEMENT TITLED "RISK FACTORS,' BEFORE MAKING AN INVESTMENT DECISION.

The Bonds are offered, when, as and if issued by the District to the winning bidder of the Bonds (the "Initial Purchaser"), subject, among other things, to the approval of the Attorney General of Texas and of Coats Rose, P.C., Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about November 5, 2026.

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

$3,185,000 Unlimited Tax Road Bonds, Series 2026

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 65510A (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 65510A (b)
2029	$5,000	___%	___%	___	2043 (c)	$40,000	___%	___%	___
2030	10,000	___%	___%	___	2044 (c)	45,000	___%	___%	___
2031	10,000	___%	___%	___	2045 (c)	45,000	___%	___%	___
2032	15,000	___%	___%	___	2046 (c)	50,000	___%	___%	___
2033 (c)	20,000	___%	___%	___	2047 (c)	50,000	___%	___%	___
2034 (c)	25,000	___%	___%	___	2048 (c)	55,000	___%	___%	___
2035 (c)	25,000	___%	___%	___	2049 (c)	50,000	___%	___%	___
2036 (c)	25,000	___%	___%	___	2050 (c)	55,000	___%	___%	___
2037 (c)	30,000	___%	___%	___	2051 (c)	355,000	___%	___%	___
2038 (c)	30,000	___%	___%	___	2052 (c)	375,000	___%	___%	___
2039 (c)	35,000	___%	___%	___	2053 (c)	395,000	___%	___%	___
2040 (c)	35,000	___%	___%	___	2054 (c)	420,000	___%	___%	___
2041 (c)	35,000	___%	___%	___	2055 (c)	445,000	___%	___%	___
2042 (c)	35,000	___%	___%	___	2056 (c)	470,000	___%	___%	___

(a) The initial reoffering yield has been provided by the Initial Purchaser (herein defined) and represents the initial offering price to the public of a substantial amount of the Bonds for each maturity. Such initial reoffering yield may be changed for subsequent purchasers. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.

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

(c) Bonds maturing on September 1, 2033, and thereafter, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on November 1, 2032, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC"), as amended, and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District 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 information permitted by SEC Rule 15c2-12.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in SEC 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 or the Initial Purchaser.

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

All of the summaries of the statutes, orders, contracts, records, and 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 Coats Rose, P.C. ("Bond Counsel") at 16000 North Dallas Parkway, Suite 350, Dallas, Texas 75248, for further information.

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

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

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APPENDIX A Draft Financial Statements of the District

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

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

Prices and Marketability

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

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

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

Securities Laws

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

MUNICIPAL BOND INSURANCE AND RATINGS

The District has not made an application for a commitment for municipal bond insurance on the Bonds or a municipal bond rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving municipal bond insurance on the Bonds or an investment grade municipal bond rating on the Bonds.

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

The District ..... Noble Ridge Municipal Utility District of Grayson County (the "District"), a political subdivision of the State of Texas, located within Grayson County, Texas. See "THE DISTRICT."

The Bonds ..... The District is issuing $3,185,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds"). The Bonds are dated November 1, 2026, and mature on September 1 in the years and amounts set forth on the inside cover page hereof. Interest accrues from the initial date of delivery (on or about November 5, 2026) (the "Date of Delivery"), at the rates per annum set forth on the inside cover page hereof and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS."

Redemption Provisions ..... The Bonds maturing on and after September 1, 2033, are subject to redemption, in whole or from time to time in part, at the option of the District on November 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS—Redemption Provisions."

Source of Payment ..... Principal of and interest on the Bonds is payable from the proceeds of a continuing direct annual ad valorem tax, levied upon all taxable property within the District without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Grayson County, Texas; the City of Howe, Texas; or any other political subdivision or entity other than the District. See "THE BONDS—Source of Payment."

Payment Record ..... The District has never defaulted on the debt service payments on its prior bond indebtedness.

Authority for Issuance ..... Voters of the District have authorized the District's issuance of $182,143,336 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System"); $125,424,649 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"); $273,215,004 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $188,136,974 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the District on November 5, 2024.

The Bonds represent the second (2nd) series of bonds to be issued for the purpose of constructing, acquiring, improving, maintaining, and operating the Road System. Following the issuance of the Bonds, approximately $118,114,650 principal amount of unlimited tax bonds for the purpose of constructing, acquiring, improving, maintaining, and operating the Road System will remain authorized but unissued.

Outstanding Bonds..... The District has previously issued $4,125,000 Unlimited Tax Road Bonds, Series 2025, of which all the principal amount of bonds remains outstanding as of the Date of Delivery of the Bonds (the "Outstanding Bonds"). See "THE BONDS—Outstanding Bonds."

Estimated Use of Bond Proceeds..... Proceeds from the sale of the Bonds will be used to reimburse the Developers (herein defined) for costs associated with certain improvements serving the District as set out herein under "THE BONDS—Estimated Use and Distribution of Bond Proceeds." Proceeds of the Bonds will also be used to pay twelve (12) months of capitalized interest, developer interest, and costs of issuance on the Bonds. See "THE BONDS—Estimated Use and Distribution of Bond Proceeds" for further information.

Qualified Tax-Exempt Obligations..... The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations for Financial Institutions."

Municipal Bond Insurance and Ratings..... The District has not made an application for a commitment for municipal bond insurance on the Bonds or a municipal bond rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving municipal bond insurance on the Bonds or an investment grade municipal bond rating on the Bonds. See "MUNICIPAL BOND INSURANCE AND RATINGS."

Bond Counsel..... Coats Rose, P.C., Dallas, Texas.

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

Financial Advisor..... Cedar Creek Municipal Advisors, LLC, Irving, Texas.

THE DISTRICT

Description..... The District was created by Order of the Texas Commission on Environmental Quality dated June 6, 2024, as a municipal utility district. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ (hereinafter defined). Currently, the District consists of approximately 142.94 total acres. See "THE DISTRICT."

Location..... The District is located to the west of State Highway 75, east of Smith Road and north of W. Young street, and approximately 1.5 miles from the center of the City of Howe, Texas. Access to the District will be from State Highway 75 and Smith Road. The District is located entirely within the city limits of the City of Howe, Texas. See "THE DISTRICT."

Developers and Principal Landowner..... Howe Land Partners LLC, a Texas limited liability company ("Howe Land"), purchased approximately 71.8 acres within the City of Howe, Texas, in September 2021, all of which was annexed into the District. Howe Land subsequently sold approximately 29.73 acres to Lennar Homes of Texas Land and Construction, for the purpose of

developing such land within the District. Horizon Capital Partners LLC, ("Horizon Capital") a Texas limited liability company, purchased approximately 71.7 acres within the City of Howe, Texas, in April 2022, all of which was annexed into the District. Horizon Capital transferred the approximate 71.7 acres to RCI Noble Ridge II, LP, ("RCI Noble Ridge") a special purpose partnership owned and controlled by Rockhill Capital & Investments, LLC and Horizon Capital. All of such acreage owned by RCI Noble Ridge within the District was subsequently sold to MM Howe 71 LLC (defined herein).

To date, Howe Land has developed Noble Ridge, Phase 1A on approximately 42.06 acres as 171 single-family lots. Howe Land is a special purpose entity created for the sole purpose of developing their land within the District, and is controlled and managed by Rockhill Capital & Investments, LLC, a Texas limited liability company. As of September 1, 2026, Howe Land owned 23 vacant developed lots within the District.

Lennar Homes of Texas Land and Construction LTD., a Texas Limited partnership ("Lennar") developed Noble Ridge, Phase 1B on approximately 29.73 acres as 177 single-family lots. Subsequently, Lennar transferred such developed lots to DRP TX 3 LLC, a Texas limited liability company ("DRP"), for purposes of holding such land for investment. DRP is transferring lots back to Lennar for homebuilding purposes as the homebuilding program progresses in Noble Ridge, Phase 1B. As of September 1, 2026, DRP owned 51 vacant developed lots.

MM Howe 71 LLC, a Texas limited liability company (MM Howe), is a special purpose entity created for the sole purpose of developing their land within the District and is controlled and managed by Centurion American Development Group, LLC, a Texas limited liability company. The 71.15 acres owned by MM Howe are planned for future development as single-family residential lots.

Howe Land and Lennar are collectively referred to herein as the "Developers." See "PRINCIPAL LANDOWNER/DEVELOPERS."

Development within the District ..... To-date, approximately 71.79 acres within the District have been developed as Noble Ridge, Phases 1A and 1B (348 single-family residential lots). In addition, the District contains approximately 71.15 acres planned for future development within the District.

As of September 1, 2026, the District consisted of approximately 243 completed homes (219 occupied, 22 unoccupied, and 2 model homes), approximately 32 homes under construction, and 73 vacant developed lots. See "DEVELOPMENT OF THE DISTRICT—Status of Development within the District."

Homebuilders ..... Homebuilders currently active within the District include Starlight Homes, K. Hovnanian and Lennar Homes. Homes in the District range in price from approximately $239,000 to approximately $360,000 and in size from approximately 1,400 square feet to approximately 3,400 square feet. See "DEVELOPMENT OF THE DISTRICT—Homebuilders within the District."

RISK FACTORS

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

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Taxable Assessed Valuation	$	47,353,186	(a)
Estimated Taxable Valuation as of September 1, 2026	$	75,506,086	(b)
Direct Debt			
The Outstanding Bonds	$	4,125,000	
The Bonds	$	3,185,000	
Total	$	7,310,000	
Estimated Overlapping Debt	$	3,911,908	(c)
Total Direct and Estimated Overlapping Debt	$	11,221,908	(c)
Direct Debt Ratios:			
As a Percentage of 2026 Taxable Assessed Valuation		15.44	%
As a Percentage of Estimated Taxable Valuation as of September 1, 2026		9.68	%
Direct and Estimated Overlapping Debt Ratios:			
As a Percentage of 2026 Taxable Assessed Valuation		23.70	%
As a Percentage of Estimated Taxable Valuation as of September 1, 2026		14.86	%
Road System Debt Service Fund Balance (as of August 6, 2026)	$	168,783	(d)
General Operating Fund Balance (as of August 6, 2026)	$	99,905	
2026 Tax Rate			
Debt Service		$ 0.5500	
Maintenance and Operations		$ 0.2500	
Total		$ 0.8000	
Estimated Average Annual Debt Service Requirement (2027–2056)	$	499,159	(e)
Estimated Maximum Annual Debt Service Requirement (2051)	$	502,600	(e)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2056):			
Based on 2026 Taxable Assessed Valuation at 95% Tax Collections		$1.11	
Based on Estimated Taxable Valuation as of September 1, 2026, at 95% Tax Collections		$0.70	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2051):			
Based on 2026 Taxable Assessed Valuation at 95% Tax Collections		$1.12	
Based on Estimated Taxable Valuation as of September 1, 2026, at 95% Tax Collections		$0.71	
Single-Family Homes (including 32 homes under construction) as of September 1, 2026		275	

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2026 as provided by the Grayson Central Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2026, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."

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

(d) Twelve (12) months of capitalized interest will be deposited into the Road Debt Service Fund (herein defined) upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund (herein defined). Funds in the Road System Debt Service Fund are pledged only to pay the debt service on the Bonds, and any other bonds issued for the purpose of acquiring or constructing the Road System. Funds in the Road System Debt Service Fund are not pledged to pay debt service on bonds issued for the purpose of acquiring or constructing the Utility System.

(e) Debt service on the Bonds is estimated at an average interest rate of 6.00%. See "DISTRICT DEBT—Estimated Debt Service Requirement Schedule."

OFFICIAL STATEMENT

relating to

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

(A Political Subdivision of the State of Texas, located within Grayson County)

$3,185,000
UNLIMITED TAX ROAD BONDS
SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Noble Ridge Municipal Utility District of Grayson County (the "District") of its $3,185,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the District on November 5, 2024.

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

This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

RISK FACTORS

General

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

Factors Affecting Taxable Values and Tax Payments

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

Principal Landowner/Developers: There is no commitment by, or legal requirement of, the Principal Landowner, the Developers, or any other landowner in the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT OF THE DISTRICT," "PRINCIPAL LANDOWNER/DEVELOPERS," and "TAX DATA—Principal Taxpayers."

Dependence on Principal Taxpayers and the Developers: The top ten principal taxpayers represent $8,580,015 or approximately 18.12% of the 2026 Taxable Assessed Valuation, which represents ownership as of January 1, 2026. The Developers and Principal Landowner, collectively, represent $4,808,245 or approximately 10.15% of such value. If these or other principal taxpayers were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service funds. See "TAX DATA—Principal Taxpayers" and "TAXING PROCEDURES—Levy and Collection of Taxes."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The taxable assessed valuation as of January 1, 2026, of all taxable property located within the District is $47,353,186 and the Estimated Taxable Valuation as of September 1, 2026, is $75,509,086. See "TAX DATA."

After issuance of the Bonds, the estimated maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $502,600 (2051) and the estimated average annual debt service requirement on the Outstanding Bonds and the Bonds will be $499,159 (2027–2056). Assuming no decrease to the 2026 Taxable Assessed Valuation, tax rates of $1.12 and $1.11 per $100 of assessed valuation at 95% tax collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively.

Assuming no decrease from the Estimated Taxable Valuation as of September 1, 2026, tax rates of $0.71 and $0.70 per $100 of assessed valuation at 95% tax collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Increase in Costs of Building Materials

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many 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.

Competitive Nature of Residential Housing Market

The residential housing industry in the Dallas, Texas, area is very competitive, and the District can give no assurance that the building programs which are planned by any homebuilder(s) will be continued or completed. The respective competitive position of the homebuilders listed herein and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale of single-family residential units, are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which

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

Registered Owners' Remedies

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

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

Bankruptcy Limitation to Registered Owners' Rights

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

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

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

The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price for 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. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

At an election held within the District on November 5, 2024, voters of the District authorized the District's issuance of: $182,143,336 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System; $125,424,649 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System; $273,215,004 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $188,136,974 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds represent the second (2nd) series of bonds issued by the District for the purpose of acquiring or constructing the Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: approximately $182,143,336 for the purpose of acquiring or constructing the Utility System; approximately $118,114,650 for the purpose of acquiring or constructing the Road System; approximately $273,215,004 for the purpose of refunding bonds issued by the District for the Utility System; and approximately $188,136,974 for the purpose of refunding bonds issued by the District for the Road System. The District's issuance of the remaining $182,143,336 unlimited tax bonds authorized for the Utility System shall be subject to approval by the TCEQ. The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. See "THE BONDS—Issuance of Additional Debt."

Following reimbursement with the proceeds of the Bonds to the Developers, according to the Developers, the District will owe the Developers approximately $8,032,000 for its expenditures to construct the Utility System and approximately $1,951,000 for its expenditures made to date to construct the Road System.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

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

Environmental Regulations

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

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;

- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Dallas-Fort Worth area. Under the Clean Air Act ("CAA") Amendments of 1990, a ten-county Dallas-Fort Worth area ("2008 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties – has been designated a "severe" nonattainment area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the 2008 DFW 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.

Further, a nine-county Dallas-Fort Worth area ("2015 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Tarrant, and Wise Counties was designated a "moderate" nonattainment area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2015 (the "2015 Ozone Standard"), with an attainment deadline of August 3, 2024. On June 20, 2024, the EPA reclassified the 2015 DFW Area to "serious" nonattainment, with an attainment deadline of August 3, 2027.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the 2008 and 2015 DFW Areas 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 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 2008 and 2015 DFW Areas to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the 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 DFW 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 Polyfluoroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and

remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

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.

Potential Impact of Natural Disaster

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates. See "TAXING PROCEDURES—Reappraisal of Property after Disaster."

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

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The purchase of such insurance, if available, will be at the option and expense of the Initial Purchaser. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

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

insurance policy, however, such payments will be made by the provider of the Policy (the "Bond Insurer") at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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

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

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

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

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

Changes in Tax Legislation

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

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.

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds. Copies of the Bond Order may be obtained from the District upon request and payment of the costs for duplication thereof. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds are dated November 1, 2026. The Bonds will mature on September 1 of the years and in the principal amounts, and will bear interest from the initial date of delivery (on or about November 5, 2026), at the rates

per annum, set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable March 1, 2027, and semiannually thereafter on each September 1 and March 1 until maturity or redemption.

The Bonds will be issued only in fully registered form in any integral multiples of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC") in its nominee name of Cede & Co., pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the owners thereof. Initially, principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), the Paying Agent/Registrar to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" below.

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

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 without additional interest and with the same force and effect as if made on the specified date for such payment.

Book-Entry-Only System

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly

("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

The information in the section concerning DTC and 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 thereof.

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

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

Record Date

The record date for payment of the interest on any regularly scheduled Interest Payment Date is defined as the 15th day of the month (whether or not a business day) next preceding such Interest Payment Date.

Registration, Transfer and Exchange

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Redemption Provisions

The Bonds maturing on September 1, 2033, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on November 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of

the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of $5,000 within any one maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Authority for Issuance

At an election held within the District on November 5, 2024, voters of the District authorized the issuance of $182,143,336 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System"); $125,424,649 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"); $273,215,004 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $188,136,974 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) the Bond Order adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the District on November 5, 2024.

Source of Payment

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, and certain fees. Tax proceeds, after deduction for collection costs, will be placed in the Road System Debt Service Fund (hereinafter defined) and used solely to pay principal of and interest on the Bonds, and additional bonds payable from taxes which may be issued for the Road System.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; Grayson County, Texas (the "County"); the City of Howe, Texas (the "City"); or any entity other than the District.

Issuance of Additional Debt

The District may issue additional bonds with the approval of the Texas Commission on Environmental Quality (the "TCEQ") (with respect to the bonds for the Utility System) necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $182,143,336 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System; $125,424,649 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System; $273,215,004 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $188,136,974 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds represent the second (2nd) series of bonds issued by the District for the purpose of acquiring or constructing the Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: approximately $182,143,336 for the purpose of acquiring or constructing the Utility System; approximately $118,114,650 for the purpose of acquiring or constructing the Road System; approximately $273,215,004 for the purpose of refunding bonds issued by the District for the Utility System; and approximately $188,136,974 for the purpose of refunding bonds issued by the District for the Road System. The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds for the Utility System, approved by the TCEQ).

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining $182,143,336 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing the Utility System will be sufficient to fully finance utility facilities to serve the remaining undeveloped but developable land within the District. Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining approximately $118,114,650

principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing the Road System will be sufficient to fully finance road facilities to serve the remaining undeveloped but developable land within the District.

Following reimbursement with the proceeds of the Bonds to the Developers, according to the Developers, the District will owe the Developers approximately $8,032,000 for its expenditures to construct the Utility System and approximately $1,951,000 for its expenditures made to date to construct the Road System. See "RISK FACTORS—Future Debt."

Outstanding Bonds

The District has previously issued $4,125,000 Unlimited Tax Road Bonds, Series 2025, of which all the principal amount of bonds remains outstanding as of the Date of Delivery of the Bonds (the "Outstanding Bonds").

No Arbitrage

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

Dissolution

Under Texas law, absent any agreement between the District and the City governing dissolution, the District may be dissolved by the City without the consent of the District or its residents. If the District is dissolved, the City must assume the assets, functions, and obligations of the District (including the Bonds) and the pledge of taxes will terminate. Dissolution of the District by the City is a policymaking matter within the discretion of the Mayor and the City Council of the City, and, therefore, the District makes no representation that dissolution will or will not occur. No representation is made concerning the likelihood of dissolution or the ability of the City to make debt service payments on the Bonds should dissolution occur.

Consolidation

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

Funds

The Bond Order confirms the District's fund for debt service on the Bonds and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). At closing, twelve (12) months of capitalized interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into the Road System Debt Service Fund. The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road System Debt Service Fund may not be

used to pay debt service on bonds issued by the District for the Utility System. Amounts on deposit in the Utility Debt Service Fund may not be used to pay debt service on bonds issued for the Road System.

Defeasance

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is an excerpt 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 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.

Registered Owners' Remedies

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

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

Estimated Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developers for costs associated with certain improvements serving the District as set out below. Proceeds of the Bonds will also be used to pay twelve (12) months of capitalized interest, developer interest, and costs of issuance on the Bonds as described below.

Construction Costs		
1. Phase 1B Roads	$	764,222
2. Phase 1B Grading		184,823
3. Phase 1A Roads		453,185
4. Phase 1A ROW Landscaping		79,505
5. Engineering & Testing (Items 3-4)		623,749
6. Land Costs - Phase 1A ROW		309,773
Total Construction Costs	$	2,415,257
Non-Construction Costs		
1. Legal Fees	$	94,625
2. Financial Advisor Fees		63,700
3. Interest		
(a) Capitalized Interest (12 Months @ 5.25%)		167,213
(b) Developer Interest		284,786
4. Bond Discount		95,550
5. Bond Engineering Report		44,759
6. Bond Issuance Expense		15,925
7. Attorney General Fee		3,185
Total Non-Construction Costs	$	769,743
Total Bond Issue Requirement	$	3,185,000

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

expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued.

The Engineer has advised the District that proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

General

The District was created by Order of the Texas Commission on Environmental Quality dated June 6, 2024, as a municipal utility district. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ. Currently, the District consists of approximately 143 total acres.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; and roads located inside its boundaries. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. 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.

Description

The District is located to the west of State Highway 75, east of Smith Road and north of W. Young street, and approximately 1.5 miles from the center of the City of Howe, Texas. Access to the District will be from State Highway 75 and Smith Road. The District is located entirely within the city limits of the City of Howe, Texas.

Management of the District

The District is governed by the Board consisting of five directors, who have control over and management supervision of all affairs of the District. All of the directors own property within the District. The directors serve four-year staggered terms. Elections are held in May of even-numbered years. The current members and officers of the Board are listed below:

Name	Position	Term Expires May
David Raphael Hembree	President	2028
Joshua Davis	Vice President	2028
Kenneth Burns III	Secretary	2028
Melvin “Butch” Fife	Assistant Secretary	2030
Greg Pierson	Assistant Secretary	2030

Investment Policy

The District has adopted an Investment Policy (the “Investment Policy”) as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”). The District’s goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Investment Policy. The Investment Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation and secured by collateral authorized by the Act, and in TexPool and TexStar, which are 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 portfolio.

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

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

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

Financial Advisor: Cedar Creek Municipal Advisors, LLC is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Bookkeeper: The District's bookkeeper is Dye & Tovery, LLC (the "Bookkeeper").

Auditor: The District engaged Mark C. Eyring, CPA, PLLC to audit its financial statements for the fiscal year ended April 30, 2026. See "APPENDIX A" for a copy of the District's April 30, 2026, audited financial statements.

Engineer: The District's engineer is Pape-Dawson Engineers, Inc. (the "Engineer").

Consulting Engineer: The District engaged Jones-Heroy & Associates, Inc. (the "Consulting Engineer") to prepare the summary of costs for the Bonds.

Tax Assessor/Collector: The tax assessor collector for the District is Bruce Stidham of the Grayson County Tax Assessor/Collector (the "Tax Assessor/ Collector").

DEVELOPMENT OF THE DISTRICT

Status of Development within the District

To-date, approximately 71.79 acres within the District have been developed as Noble Ridge, Phases 1A and 1B (348 single-family residential lots). In addition, the District contains approximately 71.15 acres planned for future development within the District. As of September 1, 2026, the District consisted of approximately 243 completed homes (219 occupied, 22 unoccupied, and 2 model homes), approximately 32 homes under construction, and 73 vacant developed lots.

The table below summarizes the status of development and land use within the District as of September 1, 2026.

Development (a)	Acreage	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Noble Ridge, Phase 1A	42.06	171	138	10	23
Noble Ridge, Phase 1B	29.73	177	105	22	50
Totals	71.79	348	243	32	73
Remaining Acreage (a)	71.15				
District Total	142.94				

(a) Such acreage includes developable land, detention space, open space, and acreage located within the floodplain.

Homebuilders within the District

Homebuilders currently active within the District include Starlight Homes, K. Hovnanian and Lennar Homes . Homes in the District range in price from approximately $239,000 to approximately $360,000 and in size from approximately 1,400 square feet to approximately 3,400 square feet.

PHOTOGRAPHS TAKEN IN THE DISTRICT

(September 2026)

PHOTOGRAPHS TAKEN IN THE DISTRICT

(September 2026)

PRINCIPAL LANDOWNER/DEVELOPERS

Role of the Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In most instances, the developer will be required to pay up to thirty percent (30%) of the cost of constructing certain of the water, wastewater, and drainage facilities in a municipal utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of the property within a municipal utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal utility district during the development phase of the property.

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

Neither the Developers (herein defined), nor any affiliate entities, are obligated to pay principal of or interest on the Bonds. Furthermore, neither the Developers, nor any affiliate entities, have a binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Developers or affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

Developers and Principal Landowner

Howe Land Partners LLC, a Texas limited liability company ("Howe Land"), purchased approximately 71.8 acres within the City of Howe, Texas, in September 2021, all of which was annexed into the District. Howe Land subsequently sold approximately 29.73 acres to Lennar Homes of Texas Land and Construction, for the purpose of developing such land within the District. Horizon Capital Partners LLC, ("Horizon Capital") a Texas limited liability company, purchased approximately 71.7 acres within the City of Howe, Texas, in April 2022, all of which was annexed into the District. Horizon Capital transferred the approximate 71.7 acres to RCI Noble Ridge II, LP, ("RCI Noble Ridge") a special purpose partnership owned and controlled by Rockhill Capital & Investments, LLC and Horizon Capital. All of such acreage owned by RCI Noble Ridge within the District was subsequently sold to MM Howe 71 LLC (defined herein).

To date, Howe Land has developed Noble Ridge, Phase 1A on approximately 42.06 acres as 171 single-family lots. Howe Land is a special purpose entity created for the sole purpose of developing their land within the District, and is controlled and managed by Rockhill Capital & Investments, LLC, a Texas limited liability company. As of September 1, 2026, Howe Land owned 23 vacant developed lots within the District.

Lennar Homes of Texas Land and Construction LTD., a Texas Limited partnership ("Lennar") developed Noble Ridge, Phase 1B on approximately 29.73 acres as 177 single-family lots. Subsequently, Lennar transferred such developed lots to DRP TX 3 LLC, a Texas limited liability company ("DRP"), for purposes of holding such land for investment. DRP is transferring lots back to Lennar for homebuilding purposes as the homebuilding program progresses in Noble Ridge, Phase 1B. As of September 1, 2026, DRP owned 51 vacant developed lots.

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

MM Howe 71 LLC, a Texas limited liability company (MM Howe), is a special purpose entity created for the sole purpose of developing their land within the District and is controlled and managed by Centurion American Development Group, LLC, a Texas limited liability company. The 71.15 acres owned by MM Howe are planned for future development as single-family residential lots.

Howe Land and Lennar are collectively referred to herein as the "Developers."

Lot-Sales Contracts

Howe Land Partners, LLC has entered into lot sales contracts with K. Hovnanian DFW Aspire at Noble Ridge, LLC, Starlight Homes Texas, LLC and Lennar Homes of Texas Land and Construction, Ltd. The contracts for the sale of lots between the Developers and the builders require that earnest money be deposited with a title company, typically between 10- 20% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with the earnest money deposits being returned pro-rata to the builders upon purchase of the lots under each contract. The Developers' sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit.

According to the Developers, each of the builders is in compliance with their respective lot sale contracts. As of September 1, 2026, the total number of lots contracted and purchased by each builder is listed below:

Builder	Total Lots Contracted	Total Lots Purchased
K. Hovnanian	53	53
Starlight Homes	82	82
Lennar Homes	36	13
	171	148

THE SYSTEM

General

The District's roadway facilities and water, sewer, and drainage facilities have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities. According to the Engineer, the design of all such facilities has been approved by all governmental agencies that have jurisdiction over the District.

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

Description of the System

Water Supply and Wastewater Treatment: Water supply and wastewater treatment for the District is provided by the City of Howe, Texas (the City). The District is located fully within the corporate limits of the City, therefore the residents receive water and wastewater treatment service directly from the City. The District's water and wastewater distribution systems will be dedicated to and owned, maintained, and operated by the City, and will have sufficient capacity to serve the District at full built-out.

According to the Engineer, the water supply and wastewater distribution system and improvements are being designed in accordance with applicable design criteria as established by the TCEQ and the City.

Drainage: Stormwater runoff within the District will be collected in curb and gutter streets into flumes or inlets which will convey the flows via underground storm sewers. Stormwater from the proposed storm sewer system will either discharge directly to Chisum Creek or outfall into detention ponds prior to discharging to a natural drainage way leading to a tributary of Chisum Creek. The design of the storm sewer system will be based on the requirements of the City.

Roads: Construction of the District's Road System is subject to certain regulation by the City. The roads in the District are constructed with concrete pavement and curbs and gutter roadways. Remaining streets provide local interior service within the District. The Road System is being constructed by the District and once complete, will be dedicated to and owned and maintained by the City.

100-Year Flood Plain

Approximately 8.1 acres of the District lies within the 100-year floodplain as defined by the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map No. 48181C0425F dated September 29, 2010. None of such acreage will be used for development.

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 interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Historical Operations of the System

The following is a summary of the District's Operating Fund. The figures for the fiscal year ending February 28 in the years 2025 and 2026 were obtained from the District's annual financial report, reference to which is hereby made. See "APPENDIX A." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ended February 28,	
Revenues	**2026**	**2025**
Property Taxes	$ 163,345	$ -
Penalty & Interest	199	-
Interest on Deposits	121	-
Total Revenues	$ 163,665	$ -
Expenditures		
Professional Fees	$ 65,514	$ 61,092
Contracted Services	15,748	5,370
Administrative Expenditures	12,755	7,787
Total Expenditures	$ 94,017	$ 74,249
Net Revenues (Deficits)	$ 69,648	$ (74,249)
Developer Operating Advances	$ 85,665	$ 61,932
Beginning Fund Balance	$ (12,317)	$ -
Ending Fund Balance	$ 142,996	$ (12,317)

DISTRICT DEBT

2026 Taxable Assessed Valuation	$ 47,353,186	(a)
Estimated Taxable Valuation as of September 1, 2026	$ 75,509,086	(b)
Direct Debt		
The Outstanding Bonds	$ 4,125,000	
The Bonds	$ 3,185,000	
Total	$ 7,310,000	
Estimated Overlapping Debt	$ 3,911,908	(c)
Total Direct and Estimated Overlapping Debt	$ 11,221,9080	(c)
Direct Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	15.44 %	
As a Percentage of Estimated Taxable Valuation as of September 1, 2026	9.68 %	
Direct and Estimated Overlapping Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	23.70 %	
As a Percentage of Estimated Taxable Valuation as of September 1, 2026	14.86 %	
Road System Debt Service Fund Balance (as of August 6, 2026)	$ 168,783	(d)
General Operating Fund Balance (as of August 6, 2026)	$ 99,905	
2026 Tax Rate		
Debt Service	$ 0.5500	
Maintenance and Operations	$ 0.2500	
Total	$ 0.8000	
Estimated Average Annual Debt Service Requirement (2027–2056)	$ 499,159	(e)
Estimated Maximum Annual Debt Service Requirement (2051)	$ 502,600	(e)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2056):		
Based on 2026 Taxable Assessed Valuation at 95% Tax Collections	$1.11	
Based on Estimated Taxable Valuation as of September 1, 2026, at 95% Tax Collections	$0.70	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2051):		
Based on 2026 Taxable Assessed Valuation at 95% Tax Collections	$1.12	
Based on Estimated Taxable Valuation as of September 1, 2026, at 95% Tax Collections	$0.71	

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2026 as provided by the Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2026, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."

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

(d) Twelve (12) months of capitalized interest will be deposited into the Road Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are pledged only to pay the debt service on the Bonds, and any other bonds issued for the purpose of acquiring or constructing the Road System. Funds in the Road System Debt Service Fund are not pledged to pay debt service on bonds issued for the purpose of acquiring or constructing the Utility System.

(e) Debt service on the Bonds is estimated at an average interest rate of 6.00%. See "DISTRICT DEBT—Estimated Debt Service Requirement Schedule."

Estimated Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements of the Outstanding Bonds, plus the annual principal and estimated interest requirements on the Bonds, assuming the Bonds are issued at an interest rate of 6.00%. Totals may not sum due to rounding.

		Plus: The Bonds			
Year Ending 12/31	Outstanding Debt Service	Principal	Interest	Debt Service	Total Debt Service
2027	$ 307,119	-	$ 159,250	$ 159,250	$ 466,369
2028	305,588	-	191,100	191,100	496,688
2029	303,713	$ 5,000	191,100	196,100	499,813
2030	301,494	10,000	190,800	200,800	502,294
2031	298,931	10,000	190,200	200,200	499,131
2032	296,025	15,000	189,600	204,600	500,625
2033	292,775	20,000	188,700	208,700	501,475
2034	289,181	25,000	187,500	212,500	501,681
2035	290,569	25,000	186,000	211,000	501,569
2036	288,919	25,000	184,500	209,500	498,419
2037	287,031	30,000	183,000	213,000	500,031
2038	289,906	30,000	181,200	211,200	501,106
2039	287,306	35,000	179,400	214,400	501,706
2040	289,469	35,000	177,300	212,300	501,769
2041	291,156	35,000	175,200	210,200	501,356
2042	292,369	35,000	173,100	208,100	500,469
2043	287,863	40,000	171,000	211,000	498,863
2044	288,113	45,000	168,600	213,600	501,713
2045	287,875	45,000	165,900	210,900	498,775
2046	287,150	50,000	163,200	213,200	500,350
2047	290,938	50,000	160,200	210,200	501,138
2048	290,219	55,000	157,200	212,200	502,419
2049	294,063	50,000	153,900	203,900	497,963
2050	292,250	55,000	150,900	205,900	498,150
2051	-	355,000	147,600	502,600	502,600
2052	-	375,000	126,300	501,300	501,300
2053	-	395,000	103,800	498,800	498,800
2054	-	420,000	80,100	500,100	500,100
2055	-	445,000	54,900	499,900	499,900
2056	-	470,000	28,200	498,200	498,200
	$7,030,019	$3,185,000	$4,759,750	$7,944,750	$14,974,769

Estimated Average Annual Debt Service Requirements (2027–2056) ..... $ 499,159
Estimated Maximum Annual Debt Service Requirements (2051) ..... $ 502,600

Direct and Estimated Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in *Texas Municipal Reports*, published by the Municipal Advisory Council of Texas, or other available information. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot presently be determined. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

Taxing Jurisdiction	Outstanding Debt July 31, 2026	Overlapping Percent	Overlapping Amount
Grayson County	$ 28,075,000	0.20 %	55,193
Howe Independent School District	50,142,191	6.80 %	3,408,057
Grayson Junior College	203,365,000	0.17 %	337,472
City of Howe	766,000	14.52%	111,185
Total Estimated Overlapping Debt			$ 3,911,908
Direct Debt (a)			$ 7,310,000
Total Direct and Estimated Overlapping Debt (a)			$11,221,9080

(a) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

Direct Debt Ratios (a):	
As a Percentage of 2026 Taxable Assessed Valuation	15.44 %
As a Percentage of Estimated Taxable Valuation as of September 1, 2026	9.68 %
Direct and Estimated Overlapping Debt Ratios (a):	
As a Percentage of 2026 Taxable Assessed Valuation	23.70 %
As a Percentage of Estimated Taxable Valuation as of September 1, 2026	14.86 %

(a) Includes the Outstanding Bonds and the Bonds.

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TAXING PROCEDURES

Set forth below is a summary of certain provisions of the Texas Property Tax Code (the "Property Tax Code") relating to the District's ability to levy and collect property taxes on property within the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. Reference is made to the Property Tax Code for more complete information, including the identification of property subject to taxation; property exempt, or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS - Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and for the payment of certain contractual obligations. The District levied a total tax of $0.800 per $100 of assessed valuation for the 2026 tax year composed entirely of a maintenance and operations tax rate of $0.25 per $100 of assessed valuation and a Road System debt service tax rate of $0.55 per $100 of assessed valuation. See "TAX DATA—Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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 herein. 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 Collin Central Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within Grayson County, including the District. Such appraisal values will be subject to review and change by the Collin Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

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

Although the District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The Appraisal District is governed by a board of directors elected by the governing bodies of the county and all cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the Appraisal District. The Property Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such

plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of future reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

Property Subject to Taxation by the District

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

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who 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 to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. The District has not adopted a general homestead exemption.

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same

categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit 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.

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. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by 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 Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

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

Tax Abatement

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

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. As of January 1, 2026, approximately 71 acres within the District were classified as qualified agricultural land. Such acreage is owned by MM Howe (herein defined). See "TAX DATA—Analysis of Tax Base" and "PRINCIPAL LANDOWNER/DEVELOPERS."

Notice and Hearing Procedures

The Property Tax Code establishes procedures for providing notice and the opportunity for a hearing for taxpayers in the event of certain proposed tax increases and provides for taxpayers referenda which could result in the repeal of certain tax increases. The District is required to publish a notice of a public hearing regarding the tax rate proposed to be levied in the current year and comparing the proposed tax rate to the tax rate set in the preceding year. See "Rollback of Operation and Maintenance Tax Rate" below.

District and Taxpayer Remedies

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

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, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. However, an election is not required if the adopted tax rate is less than or equal to 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 on an annual basis. For the 2026 tax year, the District was classified as a Developing District by the Board. 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.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. The date of delinquency may be postponed if the tax bills are mailed after January 1. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due September 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas Law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over

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

District's Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and any future tax-supported bonds which may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, at a rate not to exceed $1.00 per $100 of assessed valuation, for operation and maintenance purposes. The District levied a total tax of $0.800 per $100 of assessed valuation for the 2026 tax year composed of a maintenance and operations tax rate of $0.25 per $100 of assessed valuation and a Road System debt service tax rate of $0.55 per $100 of assessed valuation.

Tax Rate Limitation

Debt Service: ..... Unlimited (no legal limit as to rate or amount).
Maintenance and Operation: ..... $1.00 per $100 assessed taxable valuation.

Debt Service Taxes

The Board covenants in the Bond Order 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. For tax year 2026, the District levied a Road System debt service tax rate of $0.55 per $100 of assessed valuation.

Maintenance Taxes

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. For the

2026 tax year, the District levied a maintenance and operations tax rate of $0.25 per $100 of assessed valuation. See "—Tax Rate Distribution" below.

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES" herein, certain property in the District may be exempt from ad valorem taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from ad valorem taxation. Currently, there are approximately 71 acres in the District with an agricultural exemption. See "TAXING PROCEDURES—Agricultural, Open Space, Timberland and Inventory Deferment."

Additional Penalties

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

Historical Tax Collections

The following table illustrates the collection history of the District for the 2025-2026 tax years:

Tax Year	Certified Taxable Value	Tax Rate	Adjusted Tax Levy	Collections Current Year	Current Year Ending 09/30	Collections 8/31/2026
2025	$ 26,256,109	$0.800	$ 210,049	96.70%(a)	2026	96.70%
2026	47,353,186	$0.800	378,825	(b)	2027	(b)

(a) Collections as of August 31, 2026.
(b) Collections for the 2026 tax year will begin on October 1.

Tax Rate Distribution

The following table sets out the components of the District's tax levy for each of the 2025-2026 tax years.

	2026	2025 (a)
Utility System Debt Service	$ –	$ –
Road System Debt Service	0.5500	–
Maintenance & Operation	0.2500	0.8000
Total	$0.8000	$0.8000

(a) The District levied its initial tax in 2025.

Analysis of Tax Base

The following represents the types of property comprising the District assessed taxable value for the 2025-2026 tax years.

Type of Property	2026 Assessed Taxable Valuation	2025 Assessed Taxable Valuation
Land	$ 16,426,481	$ 16,107,149
Improvements	35,724,533	12,750,075
Personal Property	–	–
Exemptions (a)	(4,797,828)	(2,601,115)
Total	$ 47,353,186	$ 26,256,109

(a) This is comprised of the exemptions, homestead cap, and agricultural exemptions. See "TAXING PROCEDURES—Property Subject to Taxation by the District" and "TAX DATA—Tax Exemptions and Special Valuations."

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2026:

Taxpayer	Type of Property	Assessed Valuation 2026 Tax Roll	Percent of District 2026 Value
DRP TX 3 LLC (a)	Land	$ 2,068,205	4.37%
Lennar Homes of Texas Land & Construction LTD (a)(b)	Land	1,837,786	3.88%
Howe Land Partners LLC (a)	Land & Improvements	902,254	1.91%
Starlight Homes Texas LLC (b)	Land & Improvements	889,013	1.88%
Homeowner	Land & Improvements	608,906	1.29%
Homeowner	Land & Improvements	583,363	1.23%
CHE 207 LLC	Land & Improvements	452,962	0.96%
Homeowner	Land & Improvements	450,000	0.95%
Homeowner	Land & Improvements	433,284	0.92%
Homeowner	Land & Improvements	354,242	0.75%
Total		$ 8,580,015	18.12%

(a) See "PRINCIPAL LANDOWNER/DEVELOPERS." MM Howe 71 LLC currently owns approximately 71 acres of land that carry an agricultural exemption.
(b) See "DEVELOPMENT OF THE DISTRICT—Homebuilders within the District."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the 2026 Taxable Assessed Valuation ($47,353,186) or the Estimated Taxable Valuation as of September 1, 2026 ($75,509,086). The calculations assume collection of 95% of taxes levied, the sale of the Bonds but not the sale of any additional bonds by the District, and an estimated interest rate on the Bonds of 6.00%.

Estimated Average Annual Debt Service Requirement (2027–2056) ..... $ 499,159
Debt Service Tax Rate of $1.11 on the 2026 Taxable Assessed Valuation produces ..... $ 499,339
Debt Service Tax Rate of $0.70 on the Estimated Valuation as of September 1, 2026, produces ..... $ 502,135

Estimated Maximum Annual Debt Service Requirement (2051) ..... $ 502,600
Debt Service Tax Rate of $1.12 on the 2026 Taxable Assessed Valuation produces ..... $ 503,838
Debt Service Tax Rate of $0.71 on the Estimated Valuation as of September 1, 2026, produces ..... $ 509,309

Estimated Overlapping Taxes

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

Set forth below is an estimation of all 2026 taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction	2026 Tax Rate
Grayson County (a)	$ 0.305100
City of Howe (a)	0.467877
Howe ISD (a)	1.225700
Grayson Co. Community College	0.145970
The District	0.800000
Total	$2.944647

(a) Represents the proposed 2026 tax rate of each taxing entity.

LEGAL MATTERS

Legal Opinions

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

No-Litigation Certificate

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

No Material Adverse Change

The obligations of the Initial Purchaser 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 subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

TAX MATTERS

Tax Exemption

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

Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month

period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

Collateral Federal Income Tax Consequences

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

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

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

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

Qualified Tax-Exempt Obligations for Financial Institutions

The District will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). "Qualified tax-exempt obligations" under Section 265(b)(3) of the Code affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the SEC regarding the District's continuing disclosure obligations because the District has not issued more than $10,000,000 in aggregate amount of outstanding bonds and no person is committed by contract or other arrangement with respect to payment of the Bonds. As required by the exemption, in the Bond Order, the District has made the following agreement for the benefit of the holders and Registered Owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated with respect to the District includes all quantitative financial information and operating data found attached to this Official Statement under the headings "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2027.

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 and if the audit report becomes available. The District's current fiscal year end is April 30. Accordingly, it must provide updated information by the last day in October in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

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

it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, but only if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the SEC Rule 15c2-12, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of such SEC Rule 15c2-12 are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertaking

The District is in compliance with its prior continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

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

The District's draft audited financial statements for the year ended April 30, 2026, were prepared by Mark C. Eyring, CPA, PLLC, and have been included herein as "APPENDIX A." Mark C. Eyring, CPA, PLLC has consented to the publication of such financial statements in this Official Statement.

Experts

The information contained in this Official Statement relating to engineering and to the description of the Utility System and the Road System, and, in particular, that engineering information included in the sections entitled "THE BONDS—Estimated Use and Distribution of Bond Proceeds," "THE DISTRICT—Description," "DEVELOPMENT OF THE DISTRICT—Status of Development within the District," and "THE SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

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

Certification as to Official Statement

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

Updating of Official Statement

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

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.

This Official Statement was approved by the Board of Directors of Noble Ridge Municipal Utility District of Grayson County as of the date shown on the cover page.

/s/ _____
David Hembree
President, Board of Directors
Noble Ridge Municipal Utility District of Grayson County

ATTEST:

/s/ _____
Kenneth Burns, III
Secretary, Board of Directors
Noble Ridge Municipal Utility District of Grayson County

APPENDIX A

Financial Statements of the District

NOBLE RIDGE MUNICIPAL UTILITY

DISTRICT OF GRAYSON COUNTY

GRAYSON COUNTY, TEXAS

ANNUAL AUDIT REPORT

FEBRUARY 28, 2026

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Mark C. Eyring, CPA, PLLC

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Mark@EyringCPA.com

June 22, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Noble Ridge Municipal Utility District
of Grayson County
Grayson County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Noble Ridge Municipal Utility District of Grayson County as of and for the year ended February 28, 2026, and the related notes to the financial statements, which collectively comprise Noble Ridge Municipal Utility District of Grayson County's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Noble Ridge Municipal Utility District of Grayson County, as of February 28, 2026, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Noble Ridge Municipal Utility District of Grayson County, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Noble Ridge Municipal Utility District of Grayson County'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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 Noble Ridge Municipal Utility District Of Grayson County's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Noble Ridge Municipal Utility District Of Grayson County's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (Continued)

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Noble Ridge Municipal Utility District of Grayson County's basic financial statements. The supplementary information on Pages 20 to 31 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.

Management's Discussion and Analysis

Using this Annual Report

Within this section of the Noble Ridge Municipal Utility District of Grayson County (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended February 28, 2026.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of water and sewer services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets and liabilities owned by the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Although the statement of activities looks different from a commercial enterprise's income statement, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as *change in net position*, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water and sewer systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's' activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and billings for water and sewer services and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to levy the taxes necessary to pay the fiscal year debt service requirements plus the cost of levying and collecting taxes, leaving the appropriate fund balance as recommended by the District's financial advisor. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2026	2025	Change
Current and other assets	$ 520,897	$ 3,234	$ 517,663
Capital assets	4,155,913	7,325,037	(3,169,124)
Total assets	4,676,810	7,328,271	(2,651,461)
Long-term liabilities	8,315,117	7,386,969	928,148
Other liabilities	37,388	15,551	21,837
Total liabilities	8,352,505	7,402,520	949,985
Net position:			
Invested in capital assets, net of related debt	(3,727,849)		(3,727,849)
Restricted	13,847		13,847
Unrestricted	38,307	(74,249)	112,556
Total net position	$ (3,675,695)	$ (74,249)	$ (3,601,446)

Summary of Changes in Net Position

	2026	2025	Change
Revenues:			
Property taxes, including related penalty and interest	$ 206,253	$	$ 206,253
Other revenues	920		920
Total revenues	207,173	0	207,173
Expenses:			
Service operations	3,509,862	74,249	3,435,613
Debt service	298,757	0	298,757
Total expenses	3,808,619	74,249	3,734,370
Change in net position	(3,601,446)	(74,249)	(3,527,197)
Net position, beginning of year	(74,249)	0	(74,249)
Net position, end of year	$ (3,675,695)	$ (74,249)	$ (3,601,446)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended February 28, 2026, were $432,008, an increase of $444,325 from the prior year.

The General Fund balance increased by $155,313, in accordance with the District's financial plan.

The Debt Service Fund balance increased by $273,010, in accordance with the District's financial plan.

The Capital Projects Fund balance increased by $16,002, as proceeds from the District's Series 2025 road bonds and interest earnings exceeded authorized expenditures.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 19 of this report. The budgetary fund balance as of February 28, 2026 was expected to be negative $12,291 and the actual end of year fund balance was $142,996.

Capital Asset and Debt Administration

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

	Capital Assets (Net of Accumulated Depreciation)		
	2026	2025	Change
Construction in progress	$ 4,155,913	$ 7,325,037	$ (3,169,124)

Changes to capital assets during the fiscal year ended February 28, 2026, are summarized as follows:

Decreases:	
Road system transferred to other entity	$ (3,169,124)
Net change to capital assets	$ (3,169,124)

Debt

Changes in the bonded debt position of the District during the fiscal year ended February 28, 2026, are summarized as follows:

Bonds payable, beginning of year	$
Bonds sold	4,125,000
Bonds payable, end of year	$ 4,125,000

At February 28, 2026, the District had $182,143,336 of bonds authorized but unissued for the purposes of acquiring, constructing and improving a water, sanitary sewer and drainage system within the District and $121,299,649 for road purposes authorized but unissued

The District's bonds are not rated or insured.

As further described in Note 5 of the notes to the financial statements, the developer within the District has advanced funds to the District to cover initial operating deficits. As of February 28, 2026, the cumulative amount of developer advances for this purpose was $147,597.

As further described in Note 5 of the notes to the financial statements, the developer within the District is constructing water, sewer and drainage facilities and road improvements on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Texas Commission on Environmental Quality as applicable. At February 28, 2026, the estimated amount due to the developer was $4,155,913.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The District levied its first property tax for the 2025 tax year on August 28, 2025.

The District's tax base is concentrated in a small number of taxpayers. The District's developer owns a substantial portion of land within the District. If any one of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meet the debt service obligations described in Note 5 of the Notes to the Financial Statements.

Relationship to the City of Howe

The District lies wholly within the corporate limits of the City of Howe (the "City") and obtains water, sewer and drainage service from the City. In consideration of the District's acquiring and constructing a water, sewer, drainage and road systems on behalf of the City, the City will own, operate and maintain such systems.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

FEBRUARY 28, 2026

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	$ 154,574	$ 274,309	$ 46,727	$ 475,610	$	$ 475,610
Receivables:						
Property taxes	42,908			42,908		42,908
Prepaid expenditures	2,379			2,379		2,379
Due from other fund	10,100			10,100	(10,100)	0
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	4,155,913	4,155,913
Total assets	$ 209,961	$ 274,309	$ 46,727	$ 530,997	4,145,813	4,676,810
LIABILITIES						
Accounts payable	$ 24,057	$ 1,299	$ 20,625	$ 45,981		45,981
Due from other fund			10,100	10,100	(10,100)	0
Long-term liabilities, Note 5:						
Due within one year				0	(8,593)	(8,593)
Due in more than one year				0	8,315,117	8,315,117
Total liabilities	24,057	1,299	30,725	56,081	8,296,424	8,352,505
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	42,908	0	0	42,908	(42,908)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Restricted for bond interest, Note 5		275,165		275,165	(275,165)	0
Assigned to:						
Debt service		(2,155)		(2,155)	2,155	0
Capital projects			16,002	16,002	(16,002)	0
Unassigned	142,996			142,996	(142,996)	0
Total fund balances	142,996	273,010	16,002	432,008	(432,008)	0
Total liabilities, deferred inflows, and fund balances	$ 209,961	$ 274,309	$ 46,727	$ 530,997		
Net position:						
Invested in capital assets, net of related debt, Note 4					(3,727,849)	(3,727,849)
Restricted for debt service					(2,155)	(2,155)
Restricted for capital projects					16,002	16,002
Unrestricted, Note 5					38,307	38,307
Total net position					$ (3,675,695)	$ (3,675,695)

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

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 163,345	$	$	$ 163,345	$ 42,908	$ 206,253
Penalty and interest	199			199		199
Interest on deposits	121	253	347	721		721
Total revenues	163,665	253	347	164,265	42,908	207,173
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	65,514			65,514		65,514
Contracted services	15,748	2,208		17,956		17,956
Administrative expenditures	12,755			12,755		12,755
Capital outlay / non-capital outlay			3,169,124	3,169,124		3,169,124
Debt service:						
Bond issuance expenditures			253,802	253,802		253,802
Interest and fees		43,213	244,513	287,726	1,742	289,468
Total expenditures / expenses	94,017	45,421	3,667,439	3,806,877	1,742	3,808,619
Excess (deficiency) of revenues over expenditures	69,648	(45,168)	(3,667,092)	(3,642,612)	41,166	(3,601,446)
OTHER FINANCING SOURCES (USES)						
Bonds issued, Note 5		441,906	3,683,094	4,125,000	(4,125,000)	0
Bond issuance discount, Note 5		(123,728)		(123,728)	123,728	0
Developer operating advances, Note 5	85,665			85,665	(85,665)	0
Total other financing sources (uses)	85,665	318,178	3,683,094	4,086,937	(4,086,937)	0
Net change in fund balances / net position	155,313	273,010	16,002	444,325	(4,045,771)	(3,601,446)
Beginning of year	(12,317)	0	0	(12,317)	(61,932)	(74,249)
End of year	$ 142,996	$ 273,010	$ 16,002	$ 432,008	$ (4,107,703)	$ (3,675,695)

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

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

NOTES TO THE FINANCIAL STATEMENTS

FEBRUARY 28, 2026

NOTE 1: REPORTING ENTITY

Noble Ridge Municipal Utility District of Grayson County (the "District") was created by the Texas Commission on Environmental Quality on June 6, 2024. The District operates in accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on July 24, 2024. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. In addition, the District is authorized to construct, acquire, improve, maintain or operate roads located within its boundaries.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred revenues. Property taxes collected after the end of the fiscal year are not included in revenues.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 432,008
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		4,155,913
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (4,125,000)	
Net issuance discount (to be amortized as interest expense)	121,986	
Due to developers for operating advances	(147,597)	
Due to developers for construction	(4,155,913)	(8,306,524)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Uncollected property taxes		42,908
Net position, end of year		$ (3,675,695)

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances	$ 444,325
The issuance of long-term debt (bonds payable) provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:	
Bonds issued	(4,125,000)
The funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:	
Issuance premiums, net of discounts	121,986
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:	
Uncollected property taxes	42,908
The receipt of developer advances provides current financial resources to the funds, while the repayment of such advances consume the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:	
Developer advances	(85,665)
Change in net position	$ (3,601,446)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4: CAPITAL ASSETS

At February 28, 2026, "Invested in capital assets, net of related debt" was $(3,727,849). As further described in Note 9, the District lies wholly within the corporate limits of the City of Howe (the "City") and obtains water, sewer and drainage service from the City. In consideration of the District's acquiring and constructing water, sewer, drainage and road systems on behalf of the City, the City will own, operate and maintain such systems. the District transfers the ownership of certain capital assets constructed by the District to the City. The District shall be the owner of each phase of the systems until such phase is completed and approved by the City, at which time ownership of such phase shall be transferred to the City. However, the District shall have a security interest therein until all bonds issued by the District pursuant to the respective agreement are retired.

Capital asset activity for the fiscal year ended February 28, 2026, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 7,325,037	$ 0	$ 3,169,124	$ 4,155,913
Total capital assets not being depreciated	7,325,037	0	3,169,124	4,155,913
Total capital assets, net	$ 7,325,037	$ 0	$ 3,169,124	$ 4,155,913
Changes to capital assets:				
Transfer of road system to other entity		$	$ 3,169,124	
Net increases / decreases to capital assets		$ 0	$ 3,169,124	

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Long-term liability activity for the fiscal year ended February 28, 2026 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	$	$ 4,125,000	$	$ 4,125,000	$ 0
Less deferred amounts:					
For issuance discounts		(123,728)	(1,742)	(121,986)	(8,593)
Total bonds payable	0	4,001,272	(1,742)	4,003,014	(8,593)
Due to developers for operating advances (see below)	61,932	85,665		147,597	----------
Due to developers for construction (see below)	7,325,037		3,169,124	4,155,913	----------
Total due to developers	7,386,969	85,665	3,169,124	4,303,510	0
Total long-term liabilities	$ 7,386,969	$ 4,086,937	$ 3,167,382	$ 8,306,524	$ (8,593)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The District will pay the amount due March 1 within the fiscal year preceding this due date, and the following schedule has been prepared assuming that this practice will be followed in the future. As of February 28, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$	$ 212,119	$ 212,119
2028	95,000	208,853	303,853
2029	100,000	202,151	302,151
2030	105,000	195,103	300,103
2031	110,000	187,713	297,713
2032 - 2036	630,000	817,476	1,447,476
2037 - 2041	795,000	628,750	1,423,750
2042 - 2046	1,010,000	412,870	1,422,870
2047 - 2051	1,280,000	146,043	1,426,043
	$ 4,125,000	$ 3,011,078	$ 7,136,078

Water, sewer and drainage bonds voted	$ 182,143,336
Water, sewer and drainage bonds approved for sale and sold	0
Water, sewer and drainage bonds voted and not issued	182,143,336
Road bonds voted	$ 125,424,649
Road bonds approved for sale and sold	4,125,000
Road bonds voted and not issued	121,299,649

The bond issues payable at February 28, 2026, were as follows:

	Series 2025
Amounts outstanding, February 28, 2026	$4,125,000
Interest rates	4.375% to 6.875%
Maturity dates, serially beginning/ending	September 1, 2027/2050
Interest payment dates	September 1/March 1
Callable dates	December 1, 2031*

*Or any date thereafter, callable at par plus unpaid accrued interest, in whole or in part, at the option of the District.

In accordance with the Series 2025 road Bond Order, a portion of the bond proceeds was deposited into the debt service fund and reserved for the payment of bond interest. This bond interest reserve is reduced as the interest is paid. Transactions for the current year are summarized as follows:

Sale of bonds, 18 months' interest from sale	$ 318,178
Deduct appropriation for bond interest paid	(43,013)
Bond interest reserve, end of year:	$ 275,165

Developer Construction Commitments, Liabilities and Advances

The developer within the District is constructing certain facilities within the District's boundaries. The District has agreed to reimburse the developer for these construction and related engineering costs plus interest not to exceed the interest rate of the applicable District bond issue. These amounts are to be reimbursed from the proceeds of a future bond issue to the extent approved by the Texas Commission on Environmental Quality as applicable. The District's engineer stated that cost of the construction in progress at February 28, 2026, was $4,155,913. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5.

The developer within the District has advanced funds to the District to cover initial operating deficits. At February 28, 2026, the cumulative amount of unreimbursed developer advances was $147,597. These amounts have been recorded in the government-wide financial statements and in the schedules in Note 5. This amount has been recorded as a decrease in “Unrestricted net position” in the government-wide financial statements. Without this decrease, “Unrestricted net position” would have a balance of $185,904).

NOTE 6: PROPERTY TAXES AND CONCENTRATION OF TAX BASE

The Grayson Central Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

At an election held November 5, 2024, the voters within the District authorized a maintenance tax not to exceed $1.00 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District. There is no tax limitation on the rate or amount of taxes that can be levied to pay debt service on water, wastewater, drainage and road bonds.

On August 28, 2025, the District levied the following ad valorem taxes for the 2025 tax year on the adjusted taxable valuation of $25,781,585:

	Rate	Amount
Debt service	$ 0.0000	$ 0
Maintenance	0.8000	206,253
	$ 0.8000	$ 206,253

Concentration of Tax Base

The District’s tax base is concentrated in a small number of taxpayers. The District’s developer owns a substantial portion of land within the District. If any one of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meet the debt service obligations described in Note 5.

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the carrying amount of the District's deposits and the bank balance was $475,610. Of the bank balance, $250,000 was covered by federal insurance and $225,610 was covered by the market value of collateral held by the District's custodial bank in the District's name. The market value of collateral was reported to the District by the depository.

Deposits and temporary investments restricted by state statutes and Bond Orders:

Debt Service Fund

For payment of debt principal and interest, paying agent fees and costs of assessing and collecting taxes:

Cash	$ 274,309

Capital Projects Fund

For construction of capital assets:

Cash	$ 46,727

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At February 28, 2026, the District had comprehensive general liability coverage with a per occurrence limit of $1,000,000 and $3,000,000 general aggregate and consultant’s crime coverage of $10,000.

NOTE 9: CITY OF HOWE

The District lies wholly within the corporate limits of the City of Howe (the “City”) and obtains water, sewer and drainage service from the City. In consideration of the District's acquiring and constructing a water, sewer, drainage and road systems on behalf of the City, the City will own, operate and maintain such systems.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED FEBRUARY 28, 2026

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$	$	$ 163,345	$ 163,345
Penalty			199	199
Interest on deposits	26	26	121	95
TOTAL REVENUES	26	26	163,665	163,639
EXPENDITURES				
Service operations:				
Professional fees	6,000	6,000	65,514	59,514
Contracted services	3,150	3,150	15,748	12,598
Administrative expenditures	7,324	7,324	12,755	5,431
TOTAL EXPENDITURES	16,474	16,474	94,017	77,543
EXCESS REVENUES (EXPENDITURES)	(16,448)	(16,448)	69,648	86,096
OTHER FINANCING SOURCES (USES)				
Developer operating advances	16,474	16,474	85,665	69,191
EXCESS SOURCES (USES)	26	26	155,313	155,287
FUND BALANCE, BEGINNING OF YEAR	(12,317)	(12,317)	(12,317)	0
FUND BALANCE, END OF YEAR	$ (12,291)	$ (12,291)	$ 142,996	$ 155,287

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

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

FEBRUARY 28, 2026

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[ ] TSI-3. Temporary Investments
Not Applicable. None at February 28, 2026.

[X] TSI-4. Taxes Levied and Receivable

[X] TSI-5. Long-Term Debt Service Requirements by Years

[X] TSI-6. Changes in Long-Term Bonded Debt

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

SCHEDULE OF SERVICES AND RATES

FEBRUARY 28, 2026

1. Services Provided by the District during the Fiscal Year:

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

__ Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

X Other All other services are provided by the City of Howe.

2. Retail Service Providers

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

      Contact the City of Howe.

   b. Water and Wastewater Retail Connections:

      Contact the City of Howe.

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

   Contact the City of Howe.

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: _____

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

EXPENDITURES

FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Professional fees:				
Auditing	$ 8,500	$	$	$ 8,500
Legal	44,214			44,214
Engineering	12,800			12,800
	65,514	0	0	65,514
Contracted services:				
Bookkeeping	15,748			15,748
Tax assessor-collector		389		389
Appraisal district		1,819		1,819
	15,748	2,208	0	17,956
Administrative expenditures:				
Director's fees	5,083			5,083
Insurance	3,069			3,069
Other	4,603			4,603
	12,755	0	0	12,755
CAPITAL OUTLAY				
Authorized expenditures	0	0	3,169,124	3,169,124
DEBT SERVICE				
Bond issuance expenditures	0	0	253,802	253,802
Interest and fees:				
Interest		43,013	244,513	287,526
Paying agent fees		200		200
	0	43,213	244,513	287,726
TOTAL EXPENDITURES	$ 94,017	$ 45,421	$ 3,667,439	$ 3,806,877

See accompanying independent auditor’s report.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

ANALYSIS OF CHANGES IN DEPOSITS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS				
Cash receipts from revenues excluding maintenance taxes	$ 320	$ 253	$ 347	$ 920
Maintenance tax receipts		163,345		163,345
Transfer of maintenance taxes	163,345			163,345
Proceeds from sale of bonds		318,178	3,683,094	4,001,272
Developer operating advances	85,665			85,665
TOTAL DEPOSITS PROVIDED	249,330	481,776	3,683,441	4,414,547
APPLICATIONS OF DEPOSITS				
Cash disbursements for:				
Current expenditures	86,511	909		87,420
Capital outlay			3,169,124	3,169,124
Debt service		43,213	467,590	510,803
Prepaid expenditures	1,379			1,379
Other fund	10,100			10,100
Maintenance tax transfers		163,345		163,345
TOTAL DEPOSITS APPLIED	97,990	207,467	3,636,714	3,942,171
INCREASE (DECREASE) IN DEPOSITS	151,340	274,309	46,727	472,376
DEPOSITS BALANCES, BEGINNING OF YEAR	3,234	0	0	3,234
DEPOSITS BALANCES, END OF YEAR	$ 154,574	$ 274,309	$ 46,727	$ 475,610

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED FEBRUARY 28, 2026

	Maintenance Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 0
2025 ADJUSTED TAX ROLL	206,253
Tax collections: Current tax year	(163,345)
RECEIVABLE, END OF YEAR	$ 42,908
RECEIVABLE, BY TAX YEAR	
2025	$ 42,908

See accompanying independent auditor's report.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED FEBRUARY 28, 2026

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2025**
Land	$ 16,107,150
Improvements	12,743,194
Personal property	0
Less exemptions	(3,068,759)
TOTAL PROPERTY VALUATIONS	$ 25,781,585
TAX RATES PER $100 VALUATION*	$ 0.80000
TAX ROLLS	$ 206,253
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	79.2 %

*Maximum tax rate approved by voters on November 5, 2024: $1.00

**The District first levied taxes for tax year 2025.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS

FEBRUARY 28, 2026

The District will pay the amount due March 1 within the fiscal year preceding this due date, and the following schedule has been prepared assuming that this practice will be followed in the future.

	Series 2025		
Due During Fiscal Years Ending February 28	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$	$ 212,119	$ 212,119
2028	95,000	208,853	303,853
2029	100,000	202,151	302,151
2030	105,000	195,103	300,103
2031	110,000	187,713	297,713
2032	115,000	179,978	294,978
2033	120,000	171,900	291,900
2034	125,000	163,479	288,479
2035	130,000	154,875	284,875
2036	140,000	147,244	287,244
2037	145,000	140,476	285,476
2038	150,000	133,469	283,469
2039	160,000	126,106	286,106
2040	165,000	118,387	283,387
2041	175,000	110,312	285,312
2042	185,000	101,762	286,762
2043	195,000	92,615	287,615
2044	200,000	82,987	282,987
2045	210,000	72,993	282,993
2046	220,000	62,513	282,513
2047	230,000	51,544	281,544
2048	245,000	40,578	285,578
2049	255,000	29,640	284,640
2050	270,000	18,156	288,156
2051	280,000	6,125	286,125
TOTALS	$ 4,125,000	$ 3,011,078	$ 7,136,078

See accompanying independent auditor's report.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

ANALYSIS OF CHANGES IN GENERAL LONG-TERM BONDED DEBT

FOR THE YEAR ENDED FEBRUARY 28, 2026

Bond Series:	2025
Interest Rate:	4.375% to 6.875%
Dates Interest Payable:	September 1/ March 1
Maturity Dates:	September 1, 2027/2050
Bonds Outstanding at Beginning of Current Year	$
Add Bonds Sold	4,125,000
Less Retirements	0
Bonds Outstanding at End of Current Year	$ 4,125,000
Current Year Interest Paid:	$ 43,013

Bond Descriptions and Original Amount of Issue

Noble Ridge Municipal Utility District of Grayson County Unlimited Tax Road Bonds, Series 2025 ($4,125,000)

Paying Agent/Registrar

BOKF, N.A., Dallas, Texas

Bond Authority	Tax Bonds	Other Bonds	Refunding Bonds
Amount Authorized by Voters:	$ 307,567,985	$ 0	$ 461,351,978
Amount Issued:	4,125,000		0
Remaining to be Issued:	303,442,985		461,351,978

Net Debt Service Fund deposits balances as of February 28, 2026:	$273,010
Average annual debt service payment for remaining term of all debt:	285,443

See accompanying independent auditor's report.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, GENERAL FUND

FOR YEARS ENDED FEBRUARY 28

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2026	2025*	2024	2023	2022	2026	2025	2024	2023	2022
REVENUES										
Property taxes	$ 163,345	$	$	$	$	99.8 %	%	%	%	%
Penalty	199					0.1				
Interest on deposits	121					0.1				
TOTAL REVENUES	163,665	0	0	0	0	100.0	N/A	N/A	N/A	N/A
EXPENDITURES										
Service operations:										
Professional fees	65,514	61,092				40.0				
Contracted services	15,748	5,370				9.6				
Administrative expenditures	12,755	7,787				7.8				
Capital outlay	0	0				0.0				
TOTAL EXPENDITURES	94,017	74,249	0	0	0	57.4	N/A	N/A	N/A	N/A
EXCESS REVENUES (EXPENDITURES)	$ 69,648	$ (74,249)	$ 0	$ 0	$ 0	42.6 %	N/A %	N/A %	N/A %	N/A %
Developer operating advances	$ 85,665	$ 61,932								
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					

*First year of financial activity.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND

FOR YEARS ENDED FEBRUARY 28

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2026*	2025	2024	2023	2022	2026	2025	2024	2023	2022
REVENUES										
Property taxes	$					0.0 %	%	%	%	%
Penalty and interest						0.0				
Interest on deposits	253					100.0				
TOTAL REVENUES	253	0	0	0	0	100.0	0.0	0.0	0.0	0.0
EXPENDITURES										
Current:										
Contracted services	2,208					872.7				
Debt service:										
Principal retirement	0					0.0				
Interest and fees	43,213					17080.2				
TOTAL EXPENDITURES	45,421	0	0	0	0	17952.9	0.0	N/A	0.0	0.0
EXCESS REVENUES (EXPENDITURES)	$ (45,168)	$ 0	$ 0	$ 0	$ 0	(17,852 %	0.0 %	N/A %	0.0 %	0.0 %

*First year of financial activity.

See accompanying independent auditor's report.

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

FEBRUARY 28, 2026

Complete District Mailing Address: Noble Ridge Municipal Utility District of Grayson County
c/o Coats Rose, P.C.
16000 N. Dallas Parkway, Suite 350
Dallas, Texas 75248

District Business Telephone No.: 972-788-1600

Submission date of the most recent District Registration Form: April 13, 2026

Limit on Fees of Office that a Director may receive during a fiscal year: $7,200

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
David Hembree c/o Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/03/25-5/06/28	$ 884	$ 56	President
Joshua Davis c/o Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/03/25-5/06/28	1,105	105	Vice President
Kenneth Burns III c/o Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/03/25-5/06/28	1,326	101	Secretary
Melvin Fife c/o Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 11/05/24-5/02/26	1,105	56	Assistant Secretary
William Kennedy c/o Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 11/05/24-5/02/26	663	0	Assistant Secretary

NOBLE RIDGE MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

FEBRUARY 28, 2026

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Coats Rose, P.C. 16000 N. Dallas Parkway, Suite 350 Dallas, Texas 75248	7/24/24	$ 44,214 121,341 Bonds	Attorney
Dye & Tovery, LLC 2309 Coit Road, Suite B Plano, Texas 75075	7/24/24	15,748	Bookkeeper
Kerry Tovery Dye & Tovery, LLC 2309 Coit Road, Suite B Plano, Texas 75075	7/24/24	0	Investment Officer
Pape-Dawson Consulting Engineers, LLC 6105 Tennyson Parkway, Suite 210 Plano, Texas 75024	7/24/24	12,800	Engineer
Grayson County Tax Assessor-Collector 1100 W. Houston Street Sherman, Texas 75090	3/26/25	389	Tax Assessor-Collector
Grayson Central Appraisal District P.O. Box 2816 Grayson, Texas 76202	Legislative Action	1,819	Central Appraisal District
Robert W. Baird & Co. 1331 Lamar, Suite 1360 Houston, Texas 77010	7/24/24	87,986 Bonds	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	10/27/25	8,500 5,950 Bonds	Independent Auditor