OFFICIAL STATEMENT DATED OCTOBER 13, 2026

THE DELIVERY OF THE BONDS IS SUBJECT TO THE OPINION OF MCCALL, PARKHURST AND HORTON L.L.P., CO-BOND COUNSEL TO THE DISTRICT, TO THE EFFECT THAT INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER STATUTES, REGULATIONS, COURT DECISIONS, AND PUBLISHED RULINGS EXISTING ON THE DATE THEREOF, SUBJECT TO THE MATTERS DESCRIBED UNDER "TAX MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS.

THE DISTRICT HAS NOT DESIGNATED THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE – Book-Entry-Only

Insured Rating ("BAM"): S&P "AA"
Underlying Rating: Moody's "Baa3"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22

(A political subdivision of the State of Texas located within Travis County, Texas)

$12,000,000
UNLIMITED TAX BONDS, SERIES 2026

Dated Date: November 1, 2026 **Due: September 1, as shown on the inside cover page**
Interest Accrual Date: Date of Delivery (defined below)

The $12,000,000 Travis County Municipal Utility District No. 22 Unlimited Tax Bonds, Series 2026 (the "Bonds"), when issued, will constitute valid and legally binding obligations of Travis County Municipal Utility District No. 22 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Travis County, or any entity other than the District. The Bonds are subject to investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

Principal of the above described Bonds will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially UMB Bank, N.A. (the "Paying Agent/Registrar") in Austin, Texas. Interest on the Bonds will accrue from the initial date of delivery (expected on November 12, 2026) (the "Date of Delivery") and be payable on March 1, 2027 and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds will be issued only in fully registered form. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds are subject to redemption prior to maturity as shown on the inside cover page.

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 (defined herein) of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the nominees of such Beneficial Owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. See "BOOK-ENTRY-ONLY SYSTEM."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer"). See "MUNICIPAL BOND INSURANCE" herein.

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

The Bonds are offered when, as and if issued by the District subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Co-Bond Counsel to the District. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about November 12, 2026.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

$12,000,000 Unlimited Tax Bonds, Series 2026

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2028	$ 255,000	7.500 %	3.97 %	89440M JB9	2040	$ 480,000 (c)	5.000 %	5.06 %	89440M JP8
2029	265,000	7.500	4.02	89440M JC7	2041	505,000 (c)	5.000	5.10	89440M JQ6
2030	280,000	7.500	4.12	89440M JD5	2042	535,000 (c)	5.000	5.15	89440M JR4
2031	295,000	7.500	4.22	89440M JE3	2043	565,000 (c)	5.000	5.20	89440M JS2
2032	315,000	7.500	4.32	89440M JF0	2044	595,000 (c)	5.000	5.25	89440M JT0
2033	330,000 (c)	7.500	4.42	89440M JG8	2045	625,000 (c)	5.000	5.30	89440M JU7
2034	350,000 (c)	7.500	4.52	89440M JH6	2046	660,000 (c)	5.125	5.34	89440M JV5
2035	365,000 (c)	6.000	4.62	89440M JJ2	2047	700,000 (c)	5.125	5.38	89440M JW3
2036	390,000 (c)	5.000	4.72	89440M JK9	2048	735,000 (c)	5.125	5.42	89440M JX1
2037	410,000 (c)	5.000	4.82	89440M JL7	2049	775,000 (c)	5.125	5.44	89440M JY9
2038	430,000 (c)	5.000	4.92	89440M JM5	2050	820,000 (c)	5.125	5.45	89440M JZ6
2039	455,000 (c)	5.000	5.02	89440M JN3	2051	865,000 (c)	5.125	5.46	89440M KA9

(a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchaser for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Bonds.

(c) The Bonds maturing on and after September 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2032, or on 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."

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering and other related reports set forth in this OFFICIAL STATEMENT are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from The Carlton Law Firm P.L.L.C., General Counsel, 4301 Westbank Drive, Suite 350B, Austin, Texas 78746, upon payment of duplication costs.

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

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

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

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE, AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS.

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this OFFICIAL STATEMENT. The summary should not be detached and should be used in conjunction with the more complete information contained herein.

THE FINANCING

The Issuer ..... Travis County Municipal Utility District No. 22 (the "District"), a political subdivision of the State of Texas, is located in Travis County, Texas. See "THE DISTRICT."

The Issue ..... The $12,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") will be issued as fully registered bonds maturing on September 1 in the years and in the amounts shown on the inside cover hereof. Interest on the Bonds accrues from the Date of Delivery (expected to be November 12, 2026) and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. See "THE BONDS."

Redemption ..... 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, prior to their maturity dates, on September 1, 2032, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. See "THE BONDS – Redemption Provisions."

Source of Payment ..... The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District (see "TAXING PROCEDURES"). The Bonds are obligations of the District and are not obligations of the State of Texas, Travis County, or any other political subdivision or agency other than the District. See "THE BONDS – Source of and Security for Payment."

Use of Proceeds ..... Proceeds from the sale of the Bonds will be used to reimburse the Developer (as defined herein) for funds advanced on behalf of the District as shown herein under "THE SYSTEM – Use and Distribution of Bond Proceeds." Bond proceeds will also be used to capitalize $600,000 of interest on the Bonds, pay interest to the Developer for funds expended for the foregoing, pay developer advances, and to pay certain costs associated with the issuance of the Bonds.

Authority for Issuance.....The Bonds are the fourth series of bonds issued out of an aggregate of $102,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing water, sanitary sewer and drainage facilities. The Bonds are issued by the District pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"), the terms and conditions of an order authorizing the issuance of the Bonds adopted by the Board of Directors of the District (the "Bond Order"), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance" and "INVESTMENT CONSIDERATIONS—Future Debt."

Payment Record.....The District has previously issued three series of unlimited tax bonds for water, sanitary sewer, and drainage facilities and four series of unlimited tax road bonds for road facilities, of which $44,285,000 principal amount was outstanding as of the date hereof (the "Outstanding Bonds"). The District has never defaulted on the payment of principal or interest on its previously issued bonds.

Not Qualified Tax-Exempt Obligations.....The Bonds have not been designated as "qualified tax-exempt obligations" for financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Municipal Bond Rating and Municipal Bond Insurance .....S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM or the "Insurer"). Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors on Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

General Counsel..... The Carlton Law Firm P.L.L.C., Austin, Texas.

Co-Bond Counsel..... Armbrust & Brown, PLLC, Austin, Texas. See "MANAGEMENT OF THE DISTRICT––Co-Bond Counsel."

Co-Bond Counsel..... McCall, Parkhurst & Horton L.L.P., Austin, Texas. See "MANAGEMENT OF THE DISTRICT—Co-Bond Counsel."

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

Financial Advisor..... Masterson Advisors LLC, Austin, Texas.

Engineer .....Moody Engineering, Inc., Austin, Texas.

Paying Agent/Registrar..... UMB Bank, N.A., Austin, Texas.

THE DISTRICT

Description.....The District was created by order of the TCEQ, dated November 10, 2015. The District presently contains approximately 911 acres of land. The District is located entirely within Travis County (the "County") approximately four miles southwest of U.S. Highway 71 along Hamilton Pool Road. The District is approximately five miles southwest of the City of Bee Cave, Texas (the "City"), which City is located approximately 20 miles west of the central business district of the City of Austin, Texas. The District is located within the Lake Travis Independent School District.

Status of Development.....The land within the District is being developed primarily as a single family residential community known as Provence. Water, sanitary sewer, and drainage facilities have been constructed to serve Provence, Phase 1, Sections 1, 2, 3A, 4, 5A, 6A, 6B, 7 and 8 (consisting of approximately 319 acres of land developed into 687 single-family residential lots). As of June 30, 2026, the District contained 555 single-family homes completed and occupied, 18 single-family homes completed and not occupied, 46 single-family homes in various stages of construction, and 68 developed lots available for new home construction.

In addition to the development described above, the District contains approximately 209 acres of developable land which are not provided with underground water, sanitary sewer and drainage facilities. Also, approximately 383 acres of undevelopable land are contained in drainage and detention easements, recreational and open space areas, and plant sites. See "THE DISTRICT—Land Use" and "—Status of Development."

Homebuilding.....According to the Developer, the homebuilders currently active within the District are as follows: David Weekley Homes, Newmark Homes, Westin Homes, Drees Custom Homes, and Ashton Woods Homes. The homes range in price from approximately $550,000 to $1,300,000 with square footage ranging from 1,800 to 4,200 square feet. See "THE DEVELOPER—Homebuilding."

The Developer.....JPH Capital, Ltd., a Texas limited partnership ("JPH"), John Hatchett and Sandra Hatchett (collectively, the "Landowners") initially owned all of the approximately 911 acres within the District. The lands were owned by JPH individually, by John Hatchett individually, or by John Hatchett and Sandra Hatchett jointly. Masonwood HP, Ltd., a Texas limited partnership ("Masonwood HP") entered into a contract with the Landowners providing an exclusive option to Masonwood HP to purchase all of the lands within the District. Masonwood HP has purchased approximately 318 acres in the District from the Landowners. Masonwood HP II, Ltd., a Texas Limited Partnership ("Masonwood HP II") has purchased approximately 593 acres in the District from the Landowners. Masonwood HP is the sole owner of Masonwood HP II. Masonwood HP and Masonwood HP II may be collectively referred to herein as the "Developer." The Developer has developed 687 single-family residential lots on approximately 319 acres within the District and owns the remaining 209 acres of developable acres within the District. See "THE DEVELOPER."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION

2026 Taxable Assessed Valuation	$452,954,171 [a]
Gross Direct Debt Outstanding (after the issuance of the Bonds)	$56,285,000
Estimated Overlapping Debt	9,585,223 [b]
Gross Direct Debt and Estimated Overlapping Debt	$65,870,223
Ratio of Gross Direct Debt to:	
2026 Taxable Assessed Valuation	12.43%
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:	
2026 Taxable Assessed Valuation	14.54% [b]
Funds Available for Debt Service as of September 15, 2026:	
Debt Service Funds	$2,140,699
Capitalized Interest from Bond Proceeds	600,000 [c]
Total Funds Available for Debt Service	$2,740,699
Funds Available in Operating Fund as of September 15, 2026	$2,399,512
Funds Available for Capital Projects as of September 15, 2026:	
Water, Sanitary Sewer, and Drainage Funds	$795,697
Road Funds	338,700
Total Funds Available for Capital Projects	$1,134,397
2026 District Tax Rate:	
Debt Service	$0.77
Maintenance and Operations	0.08
Total	$0.85/$100 A.V.
Average Annual Debt Service Requirements (2027-2051) ("Average Requirement")	$3,780,952
Maximum Annual Debt Service Requirements (2045) ("Maximum Requirement")	$4,207,344
Tax rates required to pay Average Requirement based upon 2026 Taxable Assessed Valuation at a 95% collection rate	$0.88/$100 A.V.
Tax rates required to pay Maximum Requirement based upon 2026 Taxable Assessed Valuation at a 95% collection rate	$0.98/$100 A.V.

Status of home construction as of June 30, 2026:

Single-family residential – completed and occupied	555
Single-family residential – completed and unoccupied	18
Single-family residential – under construction	46
Single-family residential – vacant developed lots	68
Total	687

Area of District – 911 acres
Estimated 2026 Population – 1,943[d]

(a) The 2026 Taxable Assessed Valuation shown herein includes $416,749,184 of certified value and $36,204,987 of uncertified value. The uncertified value represents the landowners' opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Travis Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."

(b) See "ESTIMATED OVERLAPPING DEBT STATEMENT" herein.

(c) The District will capitalize $600,000 of interest from Bond proceeds. Neither the Bond Order (defined herein) nor Texas law requires that the District maintain any particular balance in Debt Service Fund. See "THE SYSTEM – Use and Distribution of Bond Proceeds."

(d) Estimate based on 3.5 persons per occupied home.

OFFICIAL STATEMENT

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22

(A political subdivision of the State of Texas located within Travis County, Texas)

$12,000,000
UNLIMITED TAX BONDS
SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Travis County Municipal Utility District No. 22 (the "District") of its $12,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

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

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about the District and the Developer (as defined herein) of land within the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from the District upon payment of the costs of duplication therefore.

This OFFICIAL STATEMENT speaks only as to its date, and the information contained herein is subject to change. A copy of the final OFFICIAL STATEMENT pertaining to the Bonds will be filed by the Initial Purchaser with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board authorizing the issuance and sale of the Bonds. 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 will be dated November 1, 2026 and accrue interest from the Date of Delivery (expected to be November 12, 2026). Interest is payable on each March 1 and September 1 commencing March 1, 2027, until the earlier of maturity or prior redemption. The Bonds mature on September 1 in the amounts and years shown on the inside cover page of this OFFICIAL STATEMENT. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds.

Source of and Security for Payment

The Bonds will be payable from and secured by a pledge of 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. The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds and the Outstanding Bonds (defined herein) are required to be placed in a special account of the District designated its "Debt Service Fund" for the Bonds.

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

Funds

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

Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of municipal utility districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund… The Bond Order confirms the establishment of the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees with respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the respective Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, and capitalized interest on the Bonds, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect to) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. $600,000 of capitalized interest shall be deposited into the Debt Service Fund. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to the Paying Agent when due.

Capital Projects Fund… The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in the respective Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds, and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater, and drainage facilities as approved by TCEQ, then in the discretion of the Board of Directors of the District to transfer such unexpended proceeds or income to the Debt Service Fund or to utilize such funds as otherwise authorized by the TCEQ.

Paying Agent/Registrar

Principal of and semiannual interest on the Bonds will be paid by the initial Paying Agent/Registrar, UMB Bank, N.A., having an office for payment in Austin, Texas. Any Paying Agent must be either a bank, trust company, financial institution, or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds. Provision is made in the Bond Order for the District to replace the Paying Agent by a resolution of the District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

Record Date

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

Redemption Provisions

Optional Redemption… The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after September 1, 2033, in whole or from time to time in part, on September 1, 2032, or on any date thereafter, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption.

Notice of Redemption… At least 30 calendar days prior to the date fixed for any optional redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services.

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are called for redemption, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity, is to be redeemed, the Paying Agent/Registrar shall determine by lot or other customary random method the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 principal amount); provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity, and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity, such interest rate and such sinking fund installment in the case of the Term Bonds shall be selected in accordance with the arrangements between the District and the securities depository.

DTC Redemption Provision

The Paying Agent/Registrar and the District, so long as a book-entry-only system is used for the Bonds, will send any notice of optional redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants, Indirect Participants, or the persons for whom DTC Participants act as nominees, with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.
Termination of Book-Entry-Only System

The District is initially utilizing the book-entry-only system of DTC ("Book-Entry-Only-System"). See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment… Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds falls on a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration… If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of $5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds… Neither the District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the fifteenth (15th) (whether or not a business day) calendar day of the month preceding each interest payment date (the "Record Date") and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds… If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

Registration and Transfer

UMB Bank, N.A., Austin, Texas is the initial paying agent/registrar (the "Paying Agent/Registrar," "Paying Agent" or "Registrar") for the Bonds. So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Order. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRYONLY SYSTEM."

Authority for Issuance

At a bond election held within the District on May 7, 2016, the voters of the District authorized the issuance of a total of $102,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sanitary sewer and storm drainage facilities. The Bonds are being issued pursuant to such authorization. See "Issuance of Additional Debt" below.

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

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

Issuance of Additional Debt

The District's voters have authorized the issuance of $102,000,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities serving the District, $12,500,000 principal amount of unlimited tax bonds for roads and related improvements, and $7,250,000 principal amount of unlimited tax bonds for parks and recreational facilities. After the issuance of the Bonds, the District will have $56,085,000 principal amount of unlimited tax bonds authorized but unissued for a water, sanitary sewer and drainage facilities, no remaining authorized but unissued unlimited tax bonds for roads and related improvements, and all of the unlimited tax bonds authorized for parks and recreational facilities authorized but unissued. The District may also issue refunding bonds. See "INVESTMENT CONSIDERATIONS – Future Debt."

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The principal amount of park bonds sold by the District is limited to one percent (1%) of the District's certified taxable assessed valuation, unless, the District meets certain requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed fire plan and bonds for such purposes by the qualified voters in the District; (b) approval of the fire plan and bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The Board has not considered developing a fire plan or calling an election at this time for such purposes. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Issuance of additional debt could dilute the investment security for the Bonds. See "INVESTMENT CONSIDERATIONS—Future Debt."

Consolidation

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

Defeasance of Outstanding Bonds

General….The Bond Order provides for the defeasance of the Bonds and the termination of the pledge of taxes and all other general defeasance covenants in the Bond Order under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding within the meaning of the Bond Order (a "Defeased Bond"), except to the extent provided below for the Paying Agent to continue payments, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment

(1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes levied and pledged, as provided in the Bond Order and such principal and interest shall be payable solely from such money or Defeasance Securities, and shall not be regarded as outstanding under the Bond Order and the District will have no further responsibility with respect to the payment of such Defeased Bonds including any insufficiency to receive payments when due on the Defeased Securities.

Any money so deposited with or made available to the Paying Agent or an eligible trust company or commercial bank also may be invested at the written direction of the District in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

Until all Defeased Bonds shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Order.

For purposes of these provisions, "Defeasance Securities" means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) non-callable 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 Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

Any such obligations must be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to provide all debt service payments on the Bonds. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made without 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 those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or those for any other Defeasance Securities will be maintained at any particular rating category.

Retention of Rights… To the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call the Defeased Bond for redemption in accordance with the provisions of the resolution authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon satisfaction of the provisions set forth above regarding such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Investments… Any escrow agreement or other instrument entered into between the District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District or deposited as directed in writing by the District.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a municipal utility 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." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a municipal utility district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions, and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE."

The Bonds are rated and the District makes no representation that the Bonds will be acceptable to banks, savings and loan associations, or public entities for investment purposes or to secure deposits of public funds. The District has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds and as to the acceptability of the Bonds for investment or collateral purposes.

Specific Tax Covenants

In the Bond Order the District covenants with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or non-compliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

Remedies in Event of Default

The Bond Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the District, the Bond Order and Chapter 54 of the Texas Water Code provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Bond Order and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. 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. The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in Wasson Interests, Ltd. v. City of Jacksonville, 489 S.W.3d 427 (Tex. 2016) ("Wasson I"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On May 2, 2018, the Texas Supreme Court issued a second opinion to clarify Wasson I, Wasson Interest, Ltd. v. City of Jacksonville, 559 S.W.3d 142 (Tex. 2018) ("Wasson II", and together with Wasson I, "Wasson"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In Wasson, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to

the issuance of municipal debt have not been adjudicated. Each situation will be evaluated on the facts and circumstances surrounding the contract in question. On June 30, 2006, the Texas Supreme Court ruled in Tooke v. City of Mexia, 49 Tex. Sup. Ct. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be 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. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

Additional Covenants

The District additionally covenants in the Bond Order that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules and regulations and open to inspection in the office of the District.

Alteration of Boundaries

In certain circumstances, under Texas law the District may alter its boundaries to: (i) upon satisfying certain conditions, annex additional territory; and (ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied, including the District's simultaneous annexation of land of at least equal value that may be practicably served by District facilities. Such land substitution is subject to the approval of the TCEQ. No representation is made concerning the likelihood that the District will affect any change in its boundaries.

Amendments to the Bond Order

The District may, without the consent of or notice to any registered owners, amend the Bond Order in any manner not detrimental to the interest of the registered owners, including the curing of an ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Order, except that, without the consent of the owners of all of the Bonds affected, no such amendment, addition, or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may within the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("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 and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor takes any responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurances 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.

General

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owners") 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 Owners 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 the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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 principal, premium, if any, interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent/Registrar, and shall effect delivery of the Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent/Registrar. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent/Registrar's DTC account.

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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

THE DISTRICT

General

The District is a municipal utility district created by order of the Commission on November 10, 2015, and operates under the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes applicable to municipal utility districts.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water, to construct certain roads within its boundaries and to establish parks and recreational facilities for the residents of the District. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to contract for or employ its own peace officers and, after approval by the TCEQ and the voters of the District, to establish, operate, and maintain fire-fighting facilities. See "THE BONDS—Issuance of Additional Debt."

The TCEQ exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements which, along with Texas law, limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, sanitary sewer, drainage, and road and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require public water, sanitary sewer and drainage facilities to be designed in accordance with certain standards. Construction and operation of the District's system are subject to the regulatory jurisdiction of additional government agencies. See "THE SYSTEM."

Location

The District presently contains approximately 911 acres of land. The District is located in western Travis County approximately four miles southwest of U.S. Highway 71 along Hamilton Pool Road. The District is approximately five miles southwest of the City of Bee Cave, Texas (the "City") and approximately 20 miles west of downtown Austin, Texas. The District is not located within the City corporate limits or the exclusive extraterritorial jurisdiction of the City.

Land Use

The District currently includes approximately 319 developed acres of single-family residential development (687 lots), and approximately 383 undevelopable acres (utility easements, detention, open space, floodplain, right-of-way and amenity acreage). The table below represents a detailed breakdown of the current acreage and development in the District.

	Approximate Acres	Lots
Single-Family Residential		
Provence, Phase 1, Section 1	129	160
Provence, Phase 1, Section 2	26	59
Provence, Phase 1, Section 3A	29	67
Provence, Phase 1, Section 4	29	69
Provence, Phase 1, Section 5A	20	61
Provence, Phase 1, Section 6A	23	87
Provence, Phase 1, Section 6B	18	53
Provence, Phase 1, Section 7	21	71
Provence, Phase 1, Section 8	25	60
Subtotal	319	687
Future Development	209	--
Non-Developable (a)	383	--
Totals	911	687

(a) Includes public rights-of-way, detention, open spaces, floodplain, easements, utility sites, and amenity acreage.

Status of Development

The land within the District is being developed primarily as a single family residential community known as Provence. Water, sanitary sewer, and drainage facilities have been constructed to serve Provence, Phase 1, Sections 1, 2, 3A, 4, 5A, 6A, 6B, 7 and 8 (consisting of approximately 319 acres of land developed into 687 single-family residential lots). As of June 30, 2026, the District contained 555 single-family homes completed and occupied, 18 single-family homes completed and not occupied, 46 single-family homes in various stages of construction, and 68 developed lots available for new home construction.

In addition to the development described above, the District contains approximately 209 acres of developable land which are not provided with underground water, sanitary sewer and drainage facilities. Also, approximately 383 acres of undevelopable land are contained in drainage and detention easements, recreational and open space areas, and plant sites.

Homebuilding

According to the Developer, the homebuilders currently active within the District are as follows: David Weekley Homes, Newmark Homes, Westin Homes, Drees Custom Homes, and Ashton Woods Homes. The homes range in price from approximately $550,000 to $1,300,000 with square footage ranging from 1,800 to 4,200 square feet.

As of June 30, 2026, the District contained 619 single-family homes completed or under construction as shown below:

Status of home construction as of June 30, 2026:

Single-family residential – completed and occupied	555
Single-family residential – completed and unoccupied	18
Single-family residential – under construction	46
Single-family residential – vacant developed lots	68
Total	687

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. All of the Directors listed below reside within the District. Directors are elected by the voters within the District for four-year staggered terms. Directors elections are held in May in even numbered years. The Directors and Officers of the District are listed below:

Name	District Board Title	Term Expires
Nate Gilbert	President	May 2028
Homero Garcia	Vice President	May 2028
Chris Madden	Secretary	May 2028
Jamie Richardson	Assistant Secretary/Treasurer	May 2030
Travis Dettman	Director	May 2030

While the District does not employ any full-time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by the Travis Central Appraisal District ("Appraisal District"). The District's Tax Assessor/Collector is contracted with by the Board of the District, and the District has contracted with the Travis County Tax Assessor/Collector to serve in this capacity for the District.

Bookkeeper

The District has engaged Municipal Accounts & Consulting LP to serve as the District's bookkeeper (the "Bookkeeper").

Engineer

The consulting engineer for the District in connection with the design and construction of the District's facilities is Moody Engineering, Inc. (the "Engineer").

General Counsel

The District engages The Carlton Law Firm P.L.L.C. as general counsel for the District. Fees for services rendered by General Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Co-Bond Counsel

The District engages Armbrust & Brown, PLLC as Co-Bond Counsel for the District. Fees for services rendered by Armbrust & Brown, PLLC in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

The District has engaged McCall, Parkhurst & Horton L.L.P., Austin, Texas as Co-Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Co-Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Disclosure Counsel

McCall, Parkhurst & Horton L.L.P., Austin, Texas has been engaged to serve as Disclosure Counsel. Fees for services rendered by Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Financial Advisor

Masterson Advisors LLC (the "Financial Advisor") serves as financial advisor to the District. The fees to be paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Auditor

The District's financial statements for the year ended September 30, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC. See APPENDIX A for a copy of the District's September 30, 2025 audited financial statements. The District has engaged McCall Gibson Swedlund Barfoot Ellis PLLC to audit its financial statements for the period ended September 30, 2026.

Operations

The operator of the water and wastewater system serving the District is Crossroads Utility Services.

THE DEVELOPER

Role of a Developer

In general, the activities of a landowner or developer in a municipal utility district such as the District include designing the project; defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. In some instances, a landowner or developer will be required by the Commission to pay thirty percent (30%) of the cost of placing the water distribution, wastewater collection, and storm drainage facilities in a district, exclusive of water supply and storage and wastewater treatment plants of which the district incurs one hundred percent (100%) of the cost. While a developer is required by the Commission to pave streets (in areas where District facilities are being financed with bonds), a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Neither the Developer (as hereinafter defined) nor any of its affiliates, is obligated to pay principal of or interest on the Bonds. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments." Furthermore, neither the Developer nor any of its affiliates have any binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Developer 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 boundaries of the District.

The Developer

JPH Capital, Ltd., a Texas limited partnership ("JPH"), John Hatchett and Sandra Hatchett (collectively, the "Landowners") initially owned all of the approximately 911 acres within the District. The lands were owned by JPH individually, by John Hatchett individually, or by John Hatchett and Sandra Hatchett jointly. Masonwood HP, Ltd., a Texas limited partnership ("Masonwood HP") entered into a contract with landowners providing an exclusive option to Masonwood HP to purchase all of the lands within the District. Masonwood HP has purchased approximately 318 acres in the District from the Landowners. Masonwood HP II, Ltd., a Texas limited partnership ("Masonwood HP II") has purchased approximately 593 acres in the District from the Landowners. Masonwood HP is the sole owner of Masonwood HP II. Masonwood HP and Masonwood HP II may be collectively referred to herein as the "Developer."

The Developer has financed the development of Provence, Phase 1, Sections 1, 2, 3A, 4, 5A, 6A, 6B, 7 and 8 in the District with financing provided by commercial lending institutions. The development loan has been paid in full. Of the 687 lots in these sections, houses have been, or are being, constructed on 619 of such lots. In addition to the sections above, the Developer owns approximately 209 acres of land in the District and continues to own approximately 180 developed lots which are available for new home construction.

The Developer is financing the development of Provence, Phase 2 in the District with a development loan provided by Trez Capital (2015) Corporation, a British Columbia corporation, with a maturity date of March 28, 2028. The balance as of September 10, 2026 is $49,083,072. The loan is secured by land in the District and further secured by a collateral agreement from the Developer to the Developer's rights to reimbursement from District bond proceeds for certain costs related to the development within the District.

The Developer is not responsible for, liable for, and has not made any commitment for payment of the Bonds or other obligations of the District. The Developer does not have any legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of their property within the District, or any other assets, at any time.

Construction and Reimbursement Agreements

The Developer and the District entered into a Utility and Park Construction and Reimbursement Agreement effective August 27, 2020 (the "Utility and Park Construction Agreement"). The Utility and Park Construction Agreement governs the development of water, wastewater, drainage and recreational facilities in the District and the reimbursement of certain costs of such development through the District's issuance of bonds. The Developer and the District also entered into a Road Improvements Construction and Reimbursement Agreement effective August 27, 2020 (the "Road Improvements Agreement"). The Road Improvements Agreement governs the construction of roads and improvements in aid of such roads and the reimbursement of certain costs of such road improvements through the District's issuance of bonds. Pursuant to the terms of an Assignment of Reimbursement Contracts and Proceeds effective December 28, 2020, the Developer assigned JPH all of its right, title and interest in and right to receive reimbursements under the Utility and Park Construction Agreement and the Road Improvements Agreement with respect to development of the property within the District. On March 28, 2025, JPH assigned all of its rights, title and interest in and to the Utility and Park Construction Agreement, and the Road Improvements Agreement, to Masonwood HP II.

National Finance Authority

The Developer has obtained financing for a portion of the development of the District through the National Finance Authority (the "National Finance Authority" or "NFA"). The NFA issued $41,120,103.60 Special Revenue Capital Appreciation Bonds, Series 2025 (the "NFA Bonds"), which are secured in part by the sale and assignment of the Developer's right to receive proceeds from the sale of the Bonds and the future sale of unlimited tax bonds issued by the District. The District delivered a Letter of Representations and Certifications for Tax Purposes to the NFA with respect to the issuance of the NFA Bonds. According to the Developer, it is currently in compliance with all material representations and certifications made with respect to the NFA Bonds and has made the necessary certifications required by the Texas Attorney General ensuring the proceeds of the Bonds are being used for lawful purposes authorized under Texas law.

THE SYSTEM

Regulation

According to the Engineer, the District's water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System was required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant in which the District owns capacity beyond the criteria existing at the time of construction of the plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the District's Engineer.

Water, Sanitary Sewer and Drainage Facilities

Construction of the water, sanitary sewer and drainage facilities to serve the District have been financed with funds advanced by the Developer.

Source of Water Supply: Water supply for the District is provided by the West Travis County Public Utility Authority ("WTCPUA"). The WTCPUA currently operates a 20,900,000 gallon per day ("gpd") surface water treatment plant.

On March 19, 2015, the Developer and WTCPUA entered into a Nonstandard Service Agreement (the "Original Water Service Agreement") for the provision of retail water service equivalent to 700 equivalent single-family connections ("ESFCs"). The commitment from the WTCPUA to serve up to 700 ESFCs within the District was adequate to serve the first phase of development but was not sufficient to develop the entire proposed development plan at full build out. In August 2016, the Landowners and the District submitted a service extension request to the WTCPUA for the remaining 1,137 ESFCs required to serve the balance of the development plan, which was denied by the WTCPUA. In January 2018, the WTCPUA amended its service policies to impose certain impervious coverage requirements as a condition to water service. In April 2018, the Landowners filed suit, which the District later joined, in the 201st Judicial District Court, Travis County, Texas and United States District Court for the Western District of Texas, Austin Division to challenge, among other claims, WTCPUA's denial of the service extension request. In April 2020, the Developer also filed suit against the WTCPUA in the 345th Judicial District Court, Travis County, Texas to demand payment of impact fee credits. On December 17, 2020, the WTCPUA, the Landowners, the Developer and the District entered into a Compromise and Settlement Agreement (the "Settlement Agreement") to dismiss the lawsuits upon the execution of an Amended and Restated Nonstandard Service Agreement between the Developer and the WTCPUA.

On December 17, 2020, the Developer and the WTCPUA entered into such Amended and Restated Agreement for the Provision of Nonstandard Retail Water Service (Provence Subdivision) (the "Amended and Restated Water Service Agreement") which sets forth the terms and conditions upon which the WTCPUA will provide retail water service to development within the District. Pursuant to the Amended and Restated Water Service Agreement, the WTCPUA agrees to provide the additional 1,137 ESFCs of retail water service necessary to serve the District at full build out, for a total commitment of 1,837 ESFCs of retail water service, only upon the construction and completion of certain facilities necessary to extend water service to the District, including a water transmission line to deliver potable water from the West Bee Cave Pump Stations to the Hamilton Pool Road Pump Station of the WTCPUA (the "Hamilton Pool Road Transmission Line"). The Developer is required to construct the Hamilton Pool Road Transmission Line, at its sole cost and expense, as set forth in the agreement. The Developer is additionally required to pay a pro rata share of costs associated with expansions to two existing WTCPUA pump stations (the "Pump Station Projects"). Pursuant to the Amended and Restated Water Service Agreement, the Hamilton Pool Road Transmission Line and the Pump Station Projects are necessary and required to be constructed before the WTCPUA will provide the additional 1,137 ESFCs. Of the 1,137 additional ESFCs of water service capacity, 310 ESFCs shall be made available when the easements and/or right of way necessary for the construction of the Hamilton Pool Road Transmission Line have been acquired. The WTCPUA's commitment to provide the sufficient water capacity required to serve the balance of the development plan is therefore conditioned upon the construction of the Hamilton Pool Road Transmission Line and the Developer's compliance with the provisions of the Amended and Restated Water Service Agreement. The District makes no representation as to the Developer's ability to construct the Hamilton Pool Road Transmission Line or fulfill its other obligations under the Amended and Restated Nonstandard Water Service Agreement.

The Settlement Agreement additionally provides that if any portion of the Hamilton Pool Road Transmission Line is located within right-of-way, the District will pay to WTCPUA all costs for any future relocation of the Hamilton Pool Road Transmission Line that is required due to construction or expansion of Hamilton Pool Road, which shall be given higher priority than reimbursements from the District owed to the Developer or Landowner for eligible costs.

Source of Wastewater Treatment: The District's wastewater treatment is provided by a wastewater treatment plant (the "WWTP") and irrigation disposal system that provides 150,000 gallons per day ("gpd") of treatment and disposal capacity. The District currently leases Phase 1 of the wastewater treatment plant from AUC Group, L.P. ("AUC"). The plant began operating in November 2020. Pursuant to the lease agreement between the District and AUC, the District is obligated to make lease payments to AUC for Phase 1 of the WWTP during the term of the lease. The current District lease payment is $9,000 per month. Pursuant to the lease agreement, the District has the option to purchase the plant from AUC if the District desires to purchase the facilities. The District makes no representation whether it will purchase the facilities. The current lease payment for Phase 2 of the WWTP paid by the Developer is $11,200 per month. The District makes no representation whether or when it will acquire the Phase 2 WWTP lease from Developer.

According to the Engineer, the plant's current wastewater capacity is capable of serving a total of 500 ESFCs based on a design capacity of 200 gpd per ESFC. The most recent historical flows per connection have been approximately 160 gpd per ESFC. Based on these flows, the existing wastewater treatment and disposal capacity would be sufficient to serve approximately 937 ESFCs. As of July 2026, the average wastewater flows are approximately 56,000 gallons per day, which represents 38% of the existing rated capacity of the WWTP.

The District must expand the treatment plant and disposal facilities in order to complete the balance of the development. According to the District's Engineer, the expansion of the District's treatment and disposal facilities may take approximately 6 months to complete. In the event that expansion of the District's wastewater treatment and disposal system facilities is not completed when required to serve additional connections, the Board of Directors of the District may adopt an order imposing a moratorium on new service connections, or could contract with the Developer for funding "pump and haul" collection and disposal of the excess wastewater until the expansion is completed. The District makes no representations as to whether the expansion will be completed by the Developer when required for service to new service connections, or whether a moratorium on new service connections may be implemented in the event an expansion is not completed when required.

100-Year Flood Plain and Storm Drainage Information: Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. According to the District's Engineer, approximately 44 acres of land within the District are located within the 100-year flood plain as designated by the most recent Federal Emergency Management Agency Flood Insurance Rate Map.

In 2018, the National Weather Service completed a rainfall study known as Atlas 14 which shows that severe rainfall events are now occurring more frequently. Within Texas, the Atlas 14 study showed an increased number of rainfall events in a band extending from the upper Gulf Coast in the east and running west generally along the I-10 corridor to Central Texas. In particular, the study shows that Central Texas is more likely to experience larger storms than previously thought. Flood plain boundaries within the District may be redrawn based on the Atlas 14 study based on the higher statistical rainfall amount, and could mean higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the flood plain.

Use and Distribution of Bond Proceeds

In the TCEQ Order, the TCEQ approved the sale of $17,300,000 principal amount of bonds. The Bonds represent the first installment of such TCEQ authorization in the amount of $12,000,000. The TCEQ authorized the District to sell the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized herein. The District reserves the right to issue the remaining $5,300,000 principal amount. Timing of the sale of the remaining $5,300,000 is unknown at this time.

The estimated use and distribution of Bond proceeds is shown below.

CONSTRUCTION COSTS		
• Provence Phase 1, Section 5A	$	205,947
• Provence Phase 1, Sections 6A & 6B		2,730,054
• Provence Phase 1, Section 7		1,427,187
• Provence Phase 1, Section 8		166,500
• Storm Water Pollution Prevention Plan		28,131
• Provence Phase 2 Drip Field Expansion		200,000
• WTCPUA Pump Stations Contribution		277,791
• Offsite Waterline Easement		2,654,370
• Water Impact Fees		593,334
• Engineering and Testing		1,244,548
Total Construction Costs	**$**	**9,527,861**
Less Surplus Funds		(783,225)
Net Total Construction Costs	**$**	**8,744,636**
NON-CONSTRUCTION COSTS		
• Bond Discount	$	360,000
• Capitalized Interest		600,000
• Developer Interest (Estimated)		1,507,986
• Developer Advances		40,500
Total Non-Construction Costs	**$**	**2,508,486**
ISSUANCE COSTS AND FEES		
• Issuance Costs and Professional Fees	$	639,878
• Bond Engineering Report		67,500
• State Regulatory Fees		39,500
Total Issuance Costs and Fees	**$**	**746,878**
TOTAL BOND ISSUE	**$**	**12,000,000**

(a) The TCEQ approved a maximum Bond Discount of 3.00% and twelve (12) months of capitalized interest.

THE ROAD SYSTEM

Provence Boulevard is the major collector street serving the District. The road meets Travis County's criteria for collector roadway designation. All roadways are designed and constructed in accordance with Travis County standards, rules, and regulations. Upon acceptance of roadway facilities, Travis County will be responsible for operation and maintenance thereof.

The roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer, and drainage facilities are located within the right-of-way. The right-of-way is also shared by street lights, sidewalks, and franchise utilities (power, gas, telephone, and cable).

FINANCIAL STATEMENT

2026 Taxable Assessed Valuation	$452,954,171 [a]
Gross Direct Debt Outstanding (after the issuance of the Bonds)	$56,285,000
Estimated Overlapping Debt	9,585,223 [b]
Gross Direct Debt and Estimated Overlapping Debt	$65,870,223
Ratio of Gross Direct Debt to:	
2026 Taxable Assessed Valuation	12.43%
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:	
2026 Taxable Assessed Valuation	14.54% [c]

Area of District – 911 acres
Estimated 2026 Population – 1,943[c]

(a) The 2026 Taxable Assessed Valuation shown herein includes $416,749,184 of certified value and $36,204,987 of uncertified value. The uncertified value represents the landowners' opinion of the value; however, such value is subject to change and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAXING PROCEDURES."
(b) See "ESTIMATED OVERLAPPING DEBT STATEMENT" herein.
(c) Estimate based on 3.5 persons per occupied home.

Outstanding Debt

Series		Original Principal Amount	Outstanding Principal Amount
2020	(a)	$ 3,000,000	$ 2,550,000
2021	(a)	3,000,000	2,675,000
2022A		4,800,000	4,525,000
2022B		5,265,000	4,905,000
2022C	(a)	2,770,000	2,570,000
2025		23,850,000	23,330,000
2025A	(a)	3,730,000	3,730,000
Total		$ 46,415,000	$ 44,285,000

(a) Unlimited tax road bonds.

Cash and Investment Balances (unaudited as of September 15, 2026)

General Fund	Cash and Temporary Investments	$2,399,512
Debt Service Fund	Cash and Temporary Investments	$2,140,699 [a]
Capital Projects Fund	Cash and Temporary Investments	$1,134,397

(a) $600,000 of capitalized interest from proceeds of the Bonds will be deposited into such fund upon delivery of the Bonds. Neither the Bond Order nor Texas law requires that the District maintain any particular balance in the Debt Service Fund.

ESTIMATED OVERLAPPING DEBT STATEMENT

Expenditures of the various taxing entities within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of the overlapping Tax Debt of the District.

Taxing Jurisdiction	Outstanding Bonds (a)	As of	Overlapping Percent	Overlapping Amount
Travis County	$ 1,202,190,000	8/31/2026	0.09%	$ 1,081,971
Lake Travis Independent School District	589,750,000	8/31/2026	1.38%	8,138,550
Travis County Healthcare District	398,205,000	8/31/2026	0.09%	358,385
Travis County Emergency Services District No. 6	475,000	8/31/2026	1.33%	6,318
Total Estimated Overlapping Debt				$ 9,585,223
The District's Total Direct Debt (b)				56,285,000
Total Direct and Estimated Overlapping Debt				$ 65,870,223

Ratio of Total Direct and Estimated Overlapping Debt to
2026 Taxable Assessed Valuation 14.54%

(a) Includes principal amounts of current interest bonds and capital appreciation bonds. Capital appreciation bonds are shown at original principal amount as opposed to maturity value.
(b) Includes the Bonds and the Outstanding Bonds.

Overlapping Tax Rates for 2026

	Tax Rate Per $100 Taxable Assessed Valuation
Travis County	$ 0.386210
Lake Travis Independent School District	1.039700
Travis County Healthcare District	0.132863
Travis County Emergency Services District No. 6	0.093639
Total Overlapping Tax Rate	$ 1.652412
The District (a)	0.850000
Total Tax Rate	$ 2.502412

(a) The District levied a total tax rate of $0.85 per $100 of taxable assessed valuation for the 2026 tax year at its September 2026 Board meeting. See "TAX DATA – Tax Rate Distribution."

TAX DATA

Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to these records for further and more complete information.

Tax Year	Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Collections as of July 31, 2026 (a) Amount	Percent
2022	$ 191,295,734	$ 0.850	$ 1,626,014	$ 1,626,014	100.00%
2023	250,795,397	0.850	2,131,761	2,131,761	100.00%
2024	302,210,952	0.850	2,568,793	2,568,793	100.00%
2025	379,784,998	0.850	3,228,172	3,204,101	99.25%
2026	452,954,171	0.850	3,850,110	(b)	(b)

(a) Unaudited.
(b) The District adopted a total tax rate of $0.85 per $100 of taxable assessed valuation at its September 2026 Board meeting. Taxes for 2026 are due January 31, 2027.

Taxes are due when billed and become delinquent if not paid before February 1 of the year following the year in which imposed. No split payments are allowed and no discounts are allowed.

Tax Rate Distribution

	2026	2025	2024	2023	2022
Debt Service	$ 0.77	$ 0.76	$ 0.45	$ 0.55	$ 0.47
Maintenance and Operations	0.08	0.09	0.40	0.30	0.38
Total	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85

Tax Rate Limitations

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

Debt Service Tax

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 the 2026 tax year, the Board levied a debt service tax in the amount of $0.77 per $100 assessed valuation.

Maintenance and Operations Tax

The Board of Directors of the District 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. On May 7, 2016, the Board was authorized to levy such a maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. For the 2026 tax year, the Board levied a maintenance tax in the amount of $0.08 per $100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemptions

As discussed in the section titled "TAXING PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

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

Principal Taxpayers

Taxpayer	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
Masonwood HP II LLC (a)	$ 11,118,922	2.67%
Drees Custom Homes LP (b)	5,005,252	1.20%
Westin Homes & Properties LP (b)	1,422,658	0.34%
Individual	1,291,323	0.31%
Individual	1,172,856	0.28%
Individual	1,112,564	0.27%
Individual	1,108,991	0.27%
Individual	1,108,313	0.27%
Individual	1,098,000	0.26%
Individual	1,092,834	0.26%
	$ 25,531,713	6.13%

(a) See "THE DEVELOPER."
(b) See "THE DISTRICT—Homebuilding."

Summary of Assessed Valuation

The following summary of the 2022 through 2026 Taxable Assessed Valuation is provided by the District's Tax Assessor/Collector based on information contained in the 2022 through 2026 tax rolls of the District. Differences in values from other information herein are due to differences in dates of information provided. An accurate breakdown of the uncertified portion ($36,204,987) of the 2026 Taxable Assessed Valuation of $452,954,171, is not available. Taxes levied on taxable value certified by the Appraisal District as of January 1 of each year.

Tax Roll Year	Type of Property			Gross Assessed Valuations	Deferments and Exemptions	Uncertified Value	Net Assessed Valuations
	Land	Improvements	Personal Property				
2022	$ 48,915,032	$ 180,345,075	$ 292,074	$ 229,552,181	$(38,256,447)	$ -	$ 191,295,734
2023	98,999,979	193,671,742	330,973	293,002,694	(42,207,297)	-	250,795,397
2024	116,837,136	202,333,252	307,429	319,477,817	(17,266,865)	-	302,210,952
2025	164,936,205	258,605,398	325,207	423,866,810	(44,081,812)	-	379,784,998
2026	160,740,782	286,631,639	426,877	447,799,298	(31,050,114)	36,204,987	452,954,171

Tax Adequacy for Debt Service

The calculation shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2026 Taxable Assessed Valuation, no use of available funds, and utilize tax rates necessary to pay the District's average annual debt service requirements on the Bonds.

Average annual debt service requirement (2027-2051)	$3,780,952
$0.88 tax rate on the 2026 Taxable Assessed Valuation of $452,954,171 at a 95% collection rate produces	$3,786,697
Maximum annual debt service requirement (2045)	$4,207,344
$0.98 tax rate on the 2026 Taxable Assessed Valuation of $452,954,171 at a 95% collection rate produces	$4,217,003

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation will not be adjusted downward, and no person should rely upon such amounts or its inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by 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. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 depending on the disability rating of the veteran if such rating is less than 100%. A veteran who receives

a disability rating of 100%, and subject to certain conditions, the surviving spouse of such a veteran is entitled to the exemption for the full amount of the residential homestead. 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 of the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty 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. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) (not less than $5,000) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. See "TAX DATA."

Freeport Goods and Goods-in-Transit Exemptions: 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 is limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Travis County may designate all or part of the area within the District as a reinvestment zone. Thereafter, Travis County and the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, Travis County has not designated land within the District as a reinvestment zone.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Generally, assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the Governor. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the Participants, adopting its tax rate for the tax year. A taxing unit, such as the Participants, 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.

On July 13, 2023, during the Second Special Session, the Texas Legislature passed Senate Bill 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 million dollars (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 (20%) of the appraised value of the subjected property for the preceding tax year; (b) the appraised value of the subjected property for the preceding tax year; and (c) the market value of all new improvements to the subjected property (collectively, the "appraisal cap"). After the 2024 tax year, through December 31, 2026, the maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value. The appraisal cap took effect on January 1, 2024.

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

The District

According to the District's Board of Directors, the District is considered a Developing District for the 2026 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all 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 power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units (see "ESTIMATED OVERLAPPING DEBT STATEMENT – Overlapping Tax Rates for 2026"). A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. 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 cost of suit and sale, 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 (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS."

GENERAL FUND OPERATIONS

General

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Net revenues, if any, derived from the District's general fund are not pledged to the payment of the Bonds but are available for any lawful purpose including payment of debt service on the Bonds, at the discretion and upon action of the Board. It is not expected that significant net revenues, if any, will be available for debt service.

Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and, in all instances, exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for the fiscal year ended September 30, 2025. The unaudited summary shown below for the ten-month period ended July 31, 2026 has been provided by the Bookkeeper. Reference is made to such statements for further and more complete information.

	10/1/2025 to	Fiscal Year Ended September 30			
	7/31/2026 (a)	2025	2024	2023	2022
Revenues					
Property Taxes	$ 341,790	$ 1,194,538	$ 756,054	$ 724,399	$ 371,864
Sewer Fees	489,991	532,424	419,826	314,736	311,500
Drainage Fees	7,500	36,900	35,400	21,000	10,200
Tap, Connection and Inspection Fees	32,569	138,643	130,275	74,795	39,119
Penalty and Interest	7,569	9,686	9,215	3,366	4,336
Transfer In	-	-	-	109,643	12,000
Developer Advances	-	-	-	-	40,500
Insurance Proceeds	-	-	-	54,500	-
Invesment and Miscellaneous Revenues	79,404	88,583	57,694	27,993	2,238
Total Revenues	$ 958,823	$ 2,000,774	$ 1,408,464	$ 1,330,432	$ 791,757
Expenditures					
Professional Fees	$ 189,607	$ 198,521	$ 103,425	$ 96,259	$ 92,653
Contracted Services	269,115	206,557	190,631	136,752	119,668
Utilities	746	1,595	1,597	1,444	361
Repairs and Maintenance	112,971	254,547	165,072	212,470	168,655
Other	55,334	82,282	86,338	82,089	61,253
Capital Outlay	-	16,845	50,762	190,598	101,142
Lease Payments	202,000	141,600	134,400	134,400	134,400
Bond Issuance Costs	-	14,920	-	-	105,443
Total Expenditures	$ 829,773	$ 916,867	$ 732,225	$ 854,012	$ 783,575
Revenues Over (Under) Expenditures	$ 129,050	$ 1,083,907	$ 676,239	$ 476,420	$ 8,182
Fund Balance					
Beginning of Year	$ 2,465,307	$ 1,381,400	$ 705,161	$ 228,741	$ 220,559
End of Year	$ 2,594,357	$ 2,465,307	$ 1,381,400	$ 705,161	$ 228,741

(a) Unaudited. Provided by the District's Bookkeeper.

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements for the Outstanding Bonds plus the Bonds. This schedule does not reflect the fact that approximately $600,000 of interest will be capitalized from Bond proceeds to pay debt service on the Bonds. See "THE SYSTEM – Use and Distribution of Bond Proceeds."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2027	$ 3,304,115	$ -	$ 531,113	$ 531,113	$ 3,835,228
2028	3,289,452	255,000	661,594	916,594	4,206,046
2029	3,282,815	265,000	642,469	907,469	4,190,284
2030	3,277,552	280,000	622,594	902,594	4,180,146
2031	3,273,302	295,000	601,594	896,594	4,169,896
2032	3,260,581	315,000	579,469	894,469	4,155,050
2033	3,248,394	330,000	555,844	885,844	4,134,237
2034	3,237,763	350,000	531,094	881,094	4,118,856
2035	3,227,688	365,000	504,844	869,844	4,097,531
2036	3,237,908	390,000	482,944	872,944	4,110,851
2037	3,238,435	410,000	463,444	873,444	4,111,879
2038	3,260,263	430,000	442,944	872,944	4,133,206
2039	3,266,325	455,000	421,444	876,444	4,142,769
2040	3,277,519	480,000	398,694	878,694	4,156,213
2041	3,283,581	505,000	374,694	879,694	4,163,275
2042	3,289,216	535,000	349,444	884,444	4,173,660
2043	3,313,293	565,000	322,694	887,694	4,200,986
2044	3,315,935	595,000	294,444	889,444	4,205,379
2045	3,317,650	625,000	264,694	889,694	4,207,344
2046	3,148,369	660,000	233,444	893,444	4,041,813
2047	2,958,175	700,000	199,619	899,619	3,857,794
2048	2,012,250	735,000	163,744	898,744	2,910,994
2049	2,026,675	775,000	126,075	901,075	2,927,750
2050	276,925	820,000	86,356	906,356	1,183,281
2051	-	865,000	44,331	909,331	909,331
Total	$ 72,624,180	$ 12,000,000	$ 9,899,619	$ 21,899,619	$ 94,523,799

Projected Average Annual Debt Service Requirements (2027-2051) $3,780,952
Projected Maximum Annual Debt Service Requirements (2045) $4,207,344

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not obligations of the State of Texas, Travis County, or any other political entity other than the District, will be secured by an annual ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots which are currently being marketed by the Developer for sale to homebuilders for the construction of primary residences. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity could tend to restrict the growth of property values in the District or could adversely impact existing values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on the construction activity, particularly short-term interest rates at which developers and homebuilders are able to obtain financing for development and construction costs. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. Because of the changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued development and construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economies.

Competition

The demand for and construction of single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in other municipal utility districts located near the District. In addition to competition for new home sales from other developments, there are numerous previously owned homes in more established neighborhoods closer to Bee Cave that are for sale. Such homes could represent additional competition for homes proposed to be sold within the District.

Increase in Costs of Building Materials

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many homebuilders and general contractors to experience budget overruns. Further, the unpredictable nature of current trade policy (including the threatened imposition of tariffs) may impact the ability of the Developer 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 Developer or homebuilders.

Undeveloped Acreage and Vacant Lots

There are approximately 209 developable acres that have not been provided with water distribution, wastewater collection, and storm drainage facilities and 68 developed lots that remain vacant as of June 30, 2026. The District makes no representation as to when or if the undeveloped land will be developed or if construction of homes on vacant lots will occur. See "THE DISTRICT – Status of Development."

Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2026 Taxable Assessed Valuation of the District (see "FINANCIAL STATEMENT") is $452,954,171 ($416,749,184 certified plus $36,204,987 uncertified). After issuance of the Bonds, the maximum annual debt service requirement is projected to be $4,207,344 (2045) and the average annual debt service requirement is projected to be $3,780,952 (2027-2051, inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation and no use of funds other than tax collections, a tax rate of $0.98 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement of $4,207,344 and a tax rate of $0.88 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement of $3,780,952 (see "DEBT SERVICE REQUIREMENTS"). Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds based upon the 2026 Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. Increases in the tax rate may be required in the event the District's assessed valuation does not continue to increase or in the event major taxpayers do not pay their District taxes timely. Increases in taxable values depend primarily on the continuing construction and sale of homes and other taxable improvements within the District. See "TAXING PROCEDURES" and "TAX DATA – Tax Adequacy for Debt Service."

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. A total of $102,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sanitary sewer and storm drainage facilities, $12,500,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related improvements, and $7,250,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities has been authorized by voters in the District. After the issuance of the Bonds, the District will have $56,085,000 principal amount of unlimited tax bonds for water, sanitary sewer and storm drainage facilities, no unlimited tax bonds for roads and related improvements, and all the unlimited tax bonds authorized for parks and recreational facilities authorized but unissued. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds.

To date, the Developer has advanced certain funds for construction of water, sanitary sewer and storm drainage facilities, parks and roads for which it has not been reimbursed. After the reimbursements are made with Bond proceeds, the District will continue to owe the Developer approximately $12,838,417 for such facilities. If additional bonds are issued in the future and property values have not increased proportionally, such issuance may increase gross debt/property valuation ratios and therefore adversely affect the investment quality or security of the Bonds. The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue; however, the principal amount of bonds issued to finance parks may not exceed one percent (1%) of the District's certified value, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. The issuance of additional bonds for water, sanitary sewer, and drainage facilities and parks and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds; however, the issuance of bonds for roads is not. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

Developers Obligation to the District

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

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 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 market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. 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. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES – District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond 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 statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond 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. Based on recent Texas court decisions, it is unclear whether Section 49.066 Texas Water Code, effectively waives governmental immunity of a municipal utility district for suits for money damages. Even if such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

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

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

The District may not be placed into bankruptcy involuntarily.

Continuing Compliance with Certain Covenants

The Bond Order contains covenants by the District intended to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. Failure by the District to comply with such covenants in said Bond Order 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."

Marketability

The District has no agreement with the Initial Purchaser (hereinafter defined) 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 or that if a secondary market were to be made that such a secondary market would not be disrupted by certain events. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are generally bought, sold or traded in the secondary market.

Governmental Approval

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, nor has the foregoing authority passed upon the adequacy or accuracy of the information contained in this OFFICIAL STATEMENT.

Forward-Looking Statements

The statements contained in this OFFICIAL STATEMENT, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this OFFICIAL STATEMENT are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this OFFICIAL STATEMENT would prove to be accurate.

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.
- • Imposing substantial liabilities for pollution resulting from facility operations.

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Sanctions against a water 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 as to future compliance of and the ability to operate the District's water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area's ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the District. It should be noted that changes in environmental laws and 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 ("EPA") and the TCEQ may impact new industrial, commercial, and residential development in the Austin-Round Rock area, consisting of Williamson, Hays, Travis, Bastrop, and Caldwell Counties (the "Austin-Round Rock Area"). The Federal Clean Air Act ("CAA") requires the EPA to adopt and periodically revise national ambient air quality standards ("NAAQS") for each of the six regulated air pollutants that may reasonably be anticipated to endanger public health or welfare: ground-level ozone, lead, carbon monoxide, sulfur dioxide, nitrogen dioxide, and particulate matter.

When a pollutant concentration in an area exceeds the NAAQS for a given pollutant, the area can be designated as "nonattainment" by the EPA. A nonattainment designation then triggers a process by which the affected state must develop and implement a plan to improve air quality and "attain" compliance with the appropriate standard. This so-called State Implementation Plan ("SIP") entails enforceable control measures and time frames.

In 1997, the EPA adopted the "8-hour" ozone standard of 80 parts per billion ("ppb") (the "1997 Ozone Standard") to protect public health and welfare. The Austin-Round Rock Area was designated "attainment" on April 30, 2004, which became effective on June 15, 2004. In 2008, the EPA lowered the ozone standard from 80 ppb to 75 ppb (the "2008 Standard"). The Austin-Round Rock Area was designated as "attainment/unclassifiable" under the 2008 Ozone Standard.

On October 1, 2015, the EPA lowered the ozone standard from 75 ppb to 70 ppb (the "2015 Ozone Standard"). On November 16, 2017, the EPA designated the Austin-Round Rock Area as "attainment/unclassifiable" under the 2015 Ozone Standard, which became effective on January 18, 2018.

Although the Austin-Round Rock Area is currently designated an attainment/unclassifiable area, the Austin-Round Rock Area has been and continues to be near the non-attainment thresholds for the ozone standard. Accordingly, it is possible that the Austin-Round Rock Area could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could 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. Specifically, should the Austin-Round Rock Area fail to achieve attainment/unclassifiable designation under EPA NAAQS, or should the Austin-Round Rock Area fail to satisfy a then effective SIP (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin-Round Rock Area may be subjected to serious repercussions pursuant to the CAA, including stricter emissions control requirements, mandatory sanctions, and a required Federal Implementation Plan ("FIP:") improved by the EPA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin-Round Rock Area. Due to the complexity of the nonattainment/conformity analysis, the status of EPA's implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin-Round Rock Area in the future is uncertain.

In the past, the Austin-Round Rock Area has entered into agreements with TCEQ to undertake voluntary actions to help avoid a nonattainment designation. The Austin-Round Rock Area is currently participating in the Capital Area Council of Government ("CAPCOG") Ozone Advance Program ("OAP") as part of a voluntary regional 2019 – 2023 air quality plan focused on reducing ozone to keep the Austin-Round Rock Area in attainment with federal air quality standards. On February 7, 2024, the EPA announced a final rule to revise the primary annual PM2.5 (particulate matter) standard from its current level of 12.0 Φg/m3 to 9.0 Φg/m3. The EPA will likely designate non-attainment areas in 2026. The nonattainment areas will have to come into compliance by 2032.

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:

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), 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 nonstormwater discharges into surface water in the state. It 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 qualitybased limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

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

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

Potential 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 rate. See "TAXING PROCEDURES – Valuation of Property for Taxation."

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.

Changes in Tax Legislation

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

Drought Conditions

Central Texas, like other areas of the State, has experienced drought conditions in recent years. The WTCPUA (defined herein) provides water to the District residents in amounts sufficient to service the residents of the District, however, as drought conditions emerge, water usage, and rates could be impacted.

Storm Water

In 2018, the National Weather Service completed a rainfall study known as Atlas 14. Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based 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. See "THE SYSTEM – Water, Sanitary Sewer and Drainage Facilities – 100-Year Flood Plain and Storm Drainage Information."

The 90th Texas Legislature

The regular session of the 90th Texas Legislature (the "Legislature") is scheduled to commence on January 12, 2027. The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. Texas Governor Greg Abbott has identified on his agenda property tax relief as a legislative priority. The District cannot predict the likelihood of legislative property tax reform at the legislative level or the impacts therefrom, if implemented.

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 may be limited.

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Initial Purchaser has entered into an agreement with Build America Mutual Assurance Company ("BAM" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P. See "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

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

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

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied by the District, without legal 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 McCall, Parkhurst & Horton L.L.P., based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and 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 governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. McCall, Parkhurst & Horton L.L.P.'s legal opinion will also address the matters described under "TAX MATTERS." Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, McCall, Parkhurst & Horton L.L.P. has been engaged by, and only represents, the District.

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

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

McCall, Parkhurst & Horton L.L.P. has reviewed the information appearing in this Official Statement under "THE BONDS," "TAXING PROCEDURES," "LEGAL MATTERS—Legal Proceedings" (insofar as such section relates to the legal opinion of Co-Bond Counsel), "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except "—Compliance with Prior Undertakings") solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. McCall, Parkhurst & Horton L.L.P. has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon McCall, Parkhurst & Horton L.L.P.'s limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

The legal fees paid to Armbrust & Brown, PLLC, and McCall, Parkhurst & Horton L.L.P., as Co-Bond Counsel, for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery 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 from that set forth or contemplated in the PRELIMINARY Official Statement, as it may have been supplemented or amended through the date of sale.

No-Litigation Certificate

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

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Co-Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law") for Federal income tax purposes interest on the Bonds (1) will be excludable from the "gross income" of the holders thereof 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 under Section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, McCall, Parkhurst & Horton L.L.P. 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, McCall, Parkhurst & Horton L.L.P. will rely upon (a) the District's federal tax certificate, and (b) covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure by the District to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income 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 McCall, Parkhurst & Horton L.L.P. is conditioned on compliance by the District with the covenants and the requirements described in the preceding paragraph, and McCall, Parkhurst & Horton L.L.P has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

McCall, Parkhurst & Horton L.L.P.'s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. McCall, Parkhurst & Horton L.L.P.'s opinion is not a guarantee of a result. The Existing Law is subject to change by the 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 facilities financed or refinanced with the proceeds of the Bonds. McCall, Parkhurst & Horton L.L.P.'s opinion represents its legal judgment based upon its review of Existing Law and the representations of the District that it deems relevant to render such opinion and is not a guarantee of a result. 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 McCall, Parkhurst & Horton L.L.P. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bonds, 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 and 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 redemption, sale or other taxable disposition of such Original issue Discount Bonds 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 disuse 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 or Original Issue Discount Bonds should consult their own tax advisors with respect to the determination of 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 statutes, regulations, published rulings and court decisions, all of which are 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 Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

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

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

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation in 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.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

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

Not Qualified Tax-Exempt Obligations

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bond

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was tendered by Robert W. Baird & Co., Inc. (the "Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of 97.0000% of the principal amount thereof which resulted in a net effective interest rate of 5.412666% as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

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 the Bonds have been offered for sale to the public. Otherwise, the District has no understanding with either Initial Purchaser regarding the reoffering yields or prices of the Bonds of a particular series. 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 at any 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 offering 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 that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in either series of Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold, or traded in the secondary market. Additionally, there are no assurances that if a secondary market for either series of Bonds were to develop, that it will not be disrupted by events. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

Securities Laws

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) with the understanding that, upon issuance and delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM"). Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors on Municipal Bond Insurance," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Insurer") will issue its municipal bond insurance policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX B to this OFFICIAL STATEMENT.

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

Disclaimers: The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the Initial Purchaser of the Bonds, and the issuer and Initial Purchaser assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

The Financial Advisor is employed as the financial advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the OFFICIAL STATEMENT, including the Official Notice Of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, the Financial Advisor has compiled and edited this OFFICIAL STATEMENT. The Financial Advisor has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

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

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering matters and to the description of the System and in particular that information included in the sections entitled "THE DISTRICT," "THE SYSTEM" and "THE ROAD SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.
Appraisal District: The information contained in this OFFICIAL STATEMENT relating to the assessed valuations has been provided by the Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Travis County, including the District.

Tax Assessor/Collector: The information contained in this OFFICIAL STATEMENT relating to the historical breakdown of the Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by the Appraisal District and the Travis County Tax Assessor/Collector, and is included herein in reliance upon their authority as experts in assessing and collecting taxes.

Auditor: The District's financial statements for the year ended September 30, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC. See APPENDIX A for a copy of the District's September 30, 2025 audited financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Fund has been provided by Municipal Accounts & Consulting LP and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

If, subsequent to the date of the OFFICIAL STATEMENT, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the OFFICIAL STATEMENT to be materially misleading, and unless such 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 on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB, or any successor, through EMMA. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "THE SYSTEM," "FINANCIAL STATEMENT," except for "Estimated Overlapping Debt," "DEBT SERVICE REQUIREMENTS," "TAX DATA," and "APPENDIX A" (Audited Financial Statements for the fiscal year ended September 30, 2025). The District will update and provide this information within six months after the end of each fiscal year ending in or after 2026.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District will provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report of such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain specified 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) nonpayment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than

in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, 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 obligated person, any of which reflect financial difficulties.

For these purposes, any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer of the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court of governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

For the purposes of the events described in clauses (15) and (16) of the preceding paragraph, the term "Financial Obligation" is defined in the Bond Order to mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Bond Order further provides that the District intends the words used in such clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

The District shall notify the MSRB in an electronic format prescribed by the MSRB in a timely manner of any failure by the District to provide financial information or operating data, in accordance with the Rule. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

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

Availability of Information from MSRB

The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects 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 Registered or beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with 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 either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and beneficial owners of the Bonds. The District may amend or repeal the agreement in the applicable Bond Order if the SEC amends or repeals the applicable provisions of SEC Rule 15c2-12 or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent each Initial

Purchaser from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

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

MISCELLANEOUS

All estimates, statements and assumptions in this OFFICIAL STATEMENT and the Appendix 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.

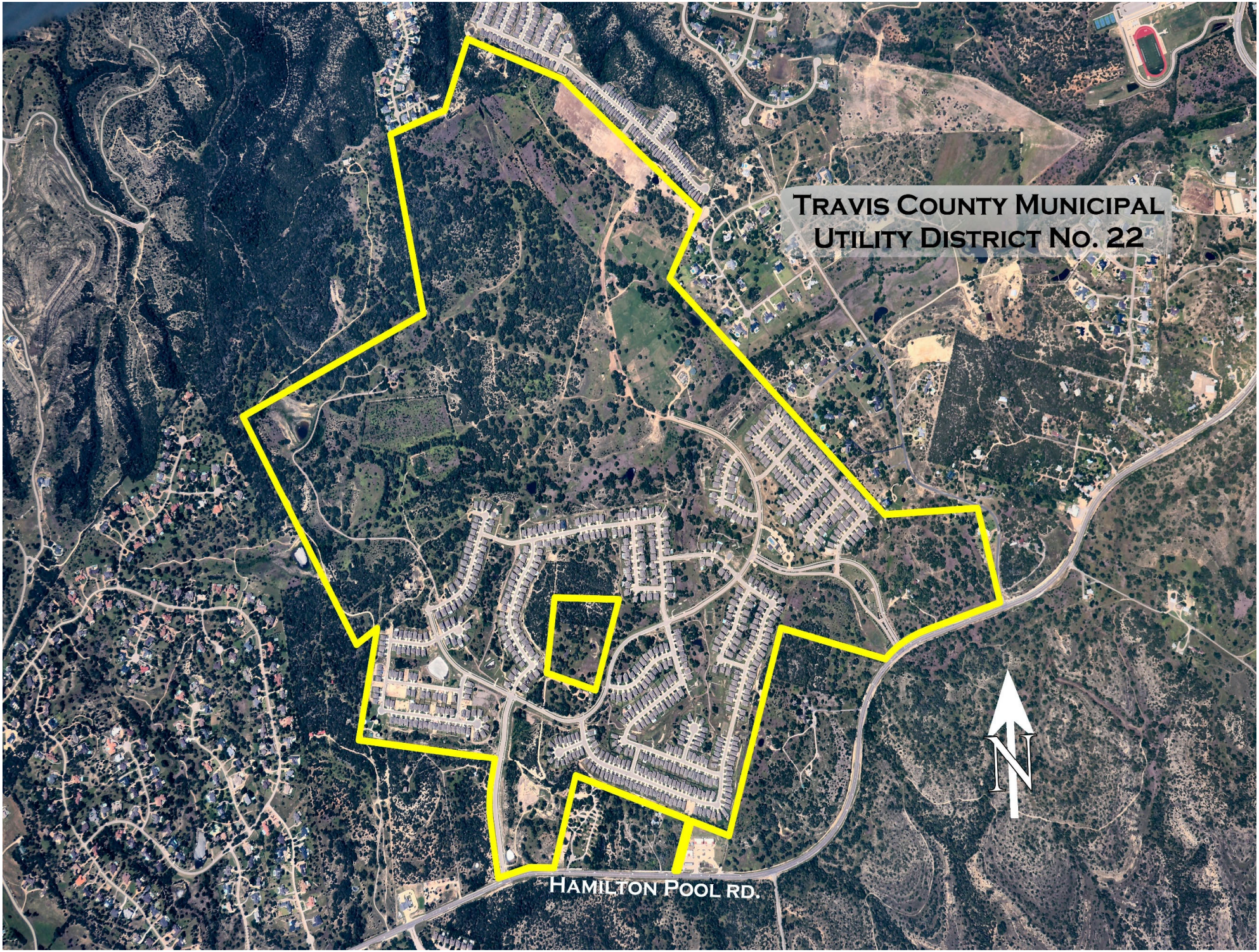
This OFFICIAL STATEMENT was approved by the Board of Directors of Travis County Municipal Utility District No. 22, as of the date shown on the cover page.

/s/ Nate Gilbert
President, Board of Directors
Travis County Municipal Utility District No. 22

ATTEST:

/s/ Chris Madden
Secretary, Board of Directors
Travis County Municipal Utility District No. 22

AERIAL PHOTOGRAPH
(as of September 2026)


Travis County Municipal
Utility District No. 22
Hamilton Pool Rd.
N

PHOTOGRAPHS OF THE DISTRICT

The following photographs were taken in the District in September 2026, solely to illustrate the type of improvements which have been constructed in the District. The District cannot predict if any additional improvements will be constructed in the future.

PROVENCE

WESTIN
AVAILABLE

drees
PROVENCE
NEW MODEL HOME
COMING SOON
512-960-1960

NEWMARK
HOMES
MODEL HOME
COMING SOON!
NEWMARK
NO PARKING
ON THIS SIDE
OF STREET

APPENDIX A

Audited Financial Statements for the fiscal year ended September 30, 2025

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 22

TRAVIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF TRAVIS }

I, Nathan Gilbert of the
(Name of Duly Authorized District Representative)

Travis County Municipal Utility District No. 22
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 20th day of January, 2026, its annual audit report for the fiscal year ended September 30, 2025 and that copies of the annual audit report have been filed in the district office, located at

4301 Westbank Dr., Suite B-130, Austin, Texas 78746
(Address of District)

This annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

Date: January 20, 2026 By: Nathan G
(Signature of District Representative)

Nathan Gilbert, President
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this the 20th day of January, 2026.

(Seal) JOHN J CARLTON
MY COMMISSION EXPIRES
03/03/2027
NOTARY ID: 375907-0

(Signature of Notary)

My Commission Expires On: _____.
Notary Public in the State of Texas.

Form TCEQ - 0723 (Rev. 07/2012)

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travis County Municipal
Utility District No. 22
Travis County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Municipal Utility District No. 22 (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Travis County Municipal
Utility District No. 22

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

January 20, 2026

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Management's discussion and analysis of Travis County Municipal Utility District No. 22's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $9,552,681 as of September 30, 2025. A portion of the District's net position reflects its net investment in capital assets (water, wastewater and drainage facilities, road improvements and park and recreational improvements less any debt used to acquire those assets that is still outstanding). A comparative analysis of government-wide changes in net position is presented on the following page:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 5,826,211	$ 3,149,610	$ 2,676,601
Right-of-Use Asset (Net of Accumulated Amortization)	374,990	9,825	365,165
Capital Assets (Net of Accumulated Depreciation)	42,256,721	30,074,813	12,181,908
Total Assets	$ 48,457,922	$ 33,234,248	$ 15,223,674
Due to Developer	$ 15,473,558	$ 19,132,816	$ 3,659,258
Lease Payable	380,025	11,201	(368,824)
Bonds Payable	41,805,693	18,219,679	(23,586,014)
Other Liabilities	351,327	243,290	(108,037)
Total Liabilities	$ 58,010,603	$ 37,606,986	$ (20,403,617)
Net Position:			
Net Investment in Capital Assets	$ (13,977,625)	$ (6,710,520)	$ (7,267,105)
Restricted	2,009,898	1,202,289	807,609
Unrestricted	2,415,046	1,135,493	1,279,553
Total Net Position	$ (9,552,681)	$ (4,372,738)	$ (5,179,943)

The following table provides a summary of the District's operations for the years ended September 30, 2025, and September 30, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,545,351	$ 2,133,230	$ 412,121
Charges for Services	719,372	600,397	118,975
Other Revenues	223,935	178,039	45,896
Total Revenues	$ 3,488,658	$ 2,911,666	$ 576,992
Expenses for:			
Services	$ 1,858,876	$ 1,245,623	$ (613,253)
Developer Interest	3,145,146	-	(3,145,146)
Debt Service	3,664,579	927,566	(2,737,013)
Total Expenses	$ 8,668,601	$ 2,173,189	$ (6,495,412)
Change in Net Position	$ (5,179,943)	$ 738,477	$ (5,918,420)
Net Position, Beginning of Year	(4,372,738)	(5,111,215)	738,477
Net Position, End of Year	$ (9,552,681)	$ (4,372,738)	$ (5,179,943)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's combined fund balances as of September 30, 2025, were $5,632,560, an increase of $2,656,634 from the prior year.

The General Fund fund balance increased by $1,083,907, primarily due to operating revenues and property tax revenues exceeding operating, capital outlay and lease related expenditures.

The Debt Service Fund fund balance increased by $899,350, primarily due to the structure of the District's outstanding debt and capitalized interest received from the Series 2025 bond issue.

The Capital Projects Fund fund balance increased by $673,377, primarily due to surplus funds remaining from the Series 2025 $23,850,000 bonds issued in May 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were $229,266 more than budgeted revenues, primarily due to higher than expected property tax revenue, sewer fees, tap connection and inspection fees and investment revenues. Actual expenditures were $60,907 more than budgeted expenditures primarily due to higher than expected professional fees, lease payments and bond issuance costs.

CAPITAL ASSETS

Capital assets as of September 30, 2025, totaled $42,256,721 (net of accumulated depreciation) and include land, water, wastewater and drainage facilities, road improvements and park and recreational improvements.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated -			
Land	$ 945,479	$ 945,479	$
Construction in Progress	-	103,000	(103,000)
Capital Assets, Net of Accumulated Depreciation:			
Water, Wastewater and Drainage Facilities	28,568,853	21,624,136	6,944,717
Road Improvements	12,694,730	7,353,479	5,341,251
Park and Recreational Improvements	47,659	48,719	(1,060)
Total Net Capital Assets	$ 42,256,721	$ 30,074,813	$ 12,181,908

LONG-TERM DEBT ACTIVITY

As of September 30, 2025, the District had total long-term debt payable of $41,565,000. The changes in the debt position of the District during the fiscal year ended September 30, 2025, are summarized as follows:

Bond Debt Payable, October 1, 2024	$ 18,190,000
Add: Bond Sale	23,850,000
Less: Bond Principal Paid	475,000
Bond Debt Payable, September 30, 2025	$ 41,565,000

The Series 2025 bonds carry and underlying rating of Baa3 and an insured rating of "AA" by virtue of Build America Mutual Assurance Company. The Series 2020 Road, Series 2021 Road, Series 2022A, Series 2022B and Series 2022C Road bonds are unrated.

RIGHT-TO-USE ASSET AND LEASE PAYABLE

The District has a lease agreement for a wastewater treatment plant. In accordance with GASB Statement No. 87, the District has recorded its leased wastewater treatment plant as a right-of-use asset and has also recorded a lease payable, both in the government-wide financial statements. See Note 10 for further disclosure.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2026 projects an increase of $40,576 in the General Fund fund balance. Revenues and expenditures are expected to be $1,079,017 and $1,038,441, respectively. The District approved a tax rate for tax year 2025 (fiscal year 2026) of $0.85 with 11% allocated to fund operations and maintenance and 89% allocated to fund debt service requirements.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Travis County Municipal Utility District No. 22, c/o The Carlton Law Firm, PLLC, 4301 Westbank Drive, Suite B-130, Austin, Texas 78746.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 96,950	$
Investments	2,476,050	2,173,841
Receivables:		
Property Taxes	6,175	7,025
Service Accounts (Net of Allowance for Doubtful Accounts of $-0-)	52,466	
Due from Other Funds	92	
Prepaid Costs	20,200	
Right-of-Use Asset (Net of Accumulated Amortization)		
Capital Assets (Net of Accumulated Depreciation):		
Land		
Water, Wastewater and Drainage Facilities		
Road Improvements		
Park and Recreational Improvements		
TOTAL ASSETS	$ 2,651,933	$ 2,180,866
LIABILITIES		
Accounts Payable	$ 115,756	$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		92
Security Deposits	64,695	
Long-Term Liabilities:		
Lease Payable, Due Within One Year		
Lease Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 180,451	$ 92
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 6,175	$ 7,025
FUND BALANCES		
Nonspendable -		
Prepaid Costs	$ 20,200	$
Restricted for Authorized Construction		
Restricted for Debt Service		2,173,749
Unassigned	2,445,107	
TOTAL FUND BALANCES	$ 2,465,307	$ 2,173,749
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,651,933	$ 2,180,866
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 1	$ 96,951	$	$ 96,951
993,503	5,643,394		5,643,394
	13,200		13,200
	52,466		52,466
	92	(92)	
	20,200		20,200
		374,990	374,990
		945,479	945,479
		28,568,853	28,568,853
		12,694,730	12,694,730
		47,659	47,659
$ 993,504	$ 5,826,303	$ 42,631,619	$ 48,457,922
$	$ 115,756	$	$ 115,756
		170,876	170,876
		15,473,558	15,473,558
	92	(92)	
	64,695		64,695
		96,543	96,543
		283,482	283,482
		1,010,000	1,010,000
		40,795,693	40,795,693
$ -0-	$ 180,543	$ 57,830,060	$ 58,010,603
$ -0-	$ 13,200	$ (13,200)	$ -0-
$	$ 20,200	$ (20,200)	$
993,504	993,504	(993,504)	
	2,173,749	(2,173,749)	
	2,445,107	(2,445,107)	
$ 993,504	$ 5,632,560	$ (5,632,560)	$ - 0 -
$ 993,504	$ 5,826,303		
		$ (13,977,625)	$ (13,977,625)
		2,009,898	2,009,898
		2,415,046	2,415,046
		$ (9,552,681)	$ (9,552,681)

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds		$ 5,632,560
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and right-of-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		42,631,711
Deferred tax revenues for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		13,200
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The liabilities at year end consisted of the following:		
Accrued Interest Payable	$ (170,876)	
Due to Developer	(15,473,558)	
Lease Payable	(380,025)	
Bonds Payable, Due Within One Year	(1,010,000)	
Bonds Payable, Due After One Year	(40,795,693)	(57,830,152)
Total Net Position - Governmental Activities		$ (9,552,681)

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,194,538	$ 1,343,122
Sewer Fees	532,424	
Drainage Fees	36,900	
Tap Connection and Inspection Fees	138,643	
Penalty and Interest	9,686	1,719
Investment Revenues	88,583	109,116
TOTAL REVENUES	$ 2,000,774	$ 1,453,957
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 198,521	$
Contracted Services	206,557	2,000
Utilities	1,595	
Repairs and Maintenance	254,547	
Depreciation		
Amortization		
Other	82,282	
Capital Outlay	16,845	
Lease - Wastewater Treatment Plant	141,600	
Prior Operating Advances		
Developer Interest		
Debt Service:		
Bond Principal		475,000
Bond Interest		1,249,776
Bond Issuance Costs	14,920	
TOTAL EXPENDITURES/EXPENSES	$ 916,867	$ 1,726,776
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	$ 1,083,907	$ (272,819)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$	$ 1,172,169
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 1,172,169
NET CHANGE IN FUND BALANCES	$ 1,083,907	$ 899,350
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2024	1,381,400	1,274,399
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2025	$ 2,465,307	$ 2,173,749

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 2,537,660	$ 7,691	$ 2,545,351
	532,424		532,424
	36,900		36,900
	138,643		138,643
	11,405		11,405
26,236	223,935		223,935
$ 26,236	$ 3,480,967	$ 7,691	$ 3,488,658
$	$ 198,521	$	$ 198,521
	208,557		208,557
	1,595		1,595
	254,547		254,547
		508,189	508,189
		37,263	37,263
	82,282		82,282
16,319,735	16,336,580	(16,336,580)	
	141,600	(33,604)	107,996
472,701	472,701	(12,775)	459,926
3,145,146	3,145,146		3,145,146
	475,000	(475,000)	
	1,249,776	91,131	1,340,907
2,308,752	2,323,672		2,323,672
$ 22,246,334	$ 24,889,977	$ (16,221,376)	$ 8,668,601
$ (22,220,098)	$ (21,409,010)	$ 16,229,067	$ (5,179,943)
$ 22,677,831	$ 23,850,000	$ (23,850,000)	$
215,644	215,644	(215,644)	
$ 22,893,475	$ 24,065,644	$ (24,065,644)	$ -0-
$ 673,377	$ 2,656,634	$ (2,656,634)	$
		(5,179,943)	(5,179,943)
320,127	2,975,926	(7,348,664)	(4,372,738)
$ 993,504	$ 5,632,560	$ (15,185,241)	$ (9,552,681)

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2025

Net Change in Fund Balances - Governmental Funds	$ 2,656,634
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	7,691
Governmental funds do not account for depreciation and amortization. However, in the Statement of Net Position, capital assets and right-of-use assets are depreciated/amortized and depreciation/amortization expense is recorded in the Statement of Activities.	(545,452)
Capital outlay is an expenditure in the governmental funds and is shown as either a reduction in the liability to the developers in the government-wide financial statements or as capital assets.	16,336,580
Governmental funds report lease principal payments as expenditures in the period paid. However, in the Statement of Net Position, lease liabilities are decreased by lease principal payments and the Statement of Activities is not affected.	33,604
Governmental funds report bond premiums and discounts as other financing sources and uses in the year received or paid. However, in the Statement of Net Position, bond premiums and discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(211,014)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	475,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(95,761)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(23,850,000)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, repayments of developer advances are recorded as decreases to developer liabilities.	12,775
Change in Net Position - Governmental Activities	$ (5,179,943)

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

NOTE 1. CREATION OF DISTRICT

Travis County Municipal Utility District No. 22 (the "District") was created, organized and established on October 28, 2015. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water and wastewater services, storm sewer drainage and to construct road improvements and parks and recreational facilities for the residents of the District. The District is governed by a five-member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District held its first meeting on December 16, 2015, and the first bonds were sold on December 15, 2020.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital and right-of-use assets reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

The District has three governmental funds and considers these funds to be major funds.

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

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. At September 30, 2025, the Debt Service Fund owed the General Fund $92 for maintenance tax collections.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The District provides for uncollectible service accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District had no allowance for uncollectible accounts at September 30, 2025.

Capital Assets and Right-of-Use Asset

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

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives of water, wastewater and drainage facilities, road improvements and parks and recreational improvements are 50 years.

In accordance with GASB Statement No. 87, the District has recorded its leased wastewater treatment plant as a right-of-use asset (see Note 10). The right-of-use asset is being amortized over the remaining life of the lease using the straight-line method of amortization.

Budgeting

An unappropriated budget was adopted on September 10, 2024, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Measurement Focus

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

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Road Series 2020	Road Series 2021	Series 2022A
Amount Outstanding – September 30, 2025	$2,645,000	$2,760,000	$4,640,000
Interest Rates	2.20% - 3.30%	2.00% - 3.00%	5.00% - 6.00%
Maturity Dates - Serially Beginning/Ending	September 1, 2026/2045	September 1, 2026/2046	September 1, 2026/2047
Interest Payment Dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2025*	September 1, 2026*	September 1, 2027*

* Or on any date thereafter, in whole or in part, at the option of the District, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2020 road term bonds maturing September 1, 2034, 2037, 2040 and 2045 are subject to mandatory redemption beginning September 1, 2032, 2035, 2038 and 2041, respectively, by lot or other customary random method. The Series 2021 road term bonds maturing September 1, 2035, 2037, 2039, 2042 and 2046 are subject to mandatory redemption beginning September 1, 2034, 2036, 2038, 2040 and 2043, respectively, by lot or other customary random method. The Series 2022A term bonds maturing September 1, 2029, 2032, 2035, 2038, 2042 and 2047 are subject to mandatory redemption beginning September 1, 2028, 2030, 2033, 2036, 2039 and 2043, respectively, by lot or other customary random method.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2022B	Road Series 2022C	Series 2025
Amount Outstanding – September 30, 2025	$5,030,000	$2,640,000	$23,850,000
Interest Rates	5.00% - 7.50%	6.00% - 8.50%	4.25% - 6.75%
Maturity Dates - Serially Beginning/Ending	September 1, 2026/2047	September 1, 2026/2047	September 1, 2026/2049
Interest Payment Dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2027*	September 1, 2027*	September 1, 2031*

* Or on any date thereafter, in whole or in part, at the option of the District, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2022B term bonds maturing September 1, 2029, 2031, 2034, 2037, 2042 and 2047 are subject to mandatory redemption beginning September 1, 2028, 2030, 2032, 2035, 2038 and 2043, respectively, by lot or other customary random method. The Series 2022C road term bonds maturing September 1, 2042 and 2047 are subject to mandatory redemption beginning September 1, 2028 and 2043, respectively, by lot or other customary random method.

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

	October 1, 2024	Additions	Retirements	September 30, 2025
Bonds Payable	$ 18,190,000	$ 23,850,000	$ 475,000	$ 41,565,000
Unamortized Discounts	(50,841)		(2,257)	(48,584)
Unamortized Premiums	80,520	215,644	6,887	289,277
Bonds Payable, Net	$ 18,219,679	$ 24,065,644	$ 479,630	$ 41,805,693

Amount Due Within One Year	$ 1,010,000
Amount Due After One Year	40,795,693
Bonds Payable, Net	$ 41,805,693

NOTE 3. LONG-TERM DEBT (Continued)

On May 14, 2025, the District issued Unlimited Tax Bonds, Series 2025, of $23,850,000 with interest rates ranging from 4.25% to 6.75%. The net proceeds of $21,855,012 (after payment of underwriter fees, bond issue costs, the bond discount) were used to finance developer funded construction costs, fund future interest payments on the bonds and pay subsequent bond issue costs.

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

Fiscal Year	Principal	Interest	Total
2026	$ 1,010,000	$ 2,050,517	$ 3,060,517
2027	1,065,000	1,989,402	3,054,402
2028	1,115,000	1,924,939	3,039,939
2029	1,170,000	1,863,827	3,033,827
2030	1,230,000	1,799,415	3,029,415
2031-2035	7,125,000	7,890,066	15,015,066
2036-2040	9,065,000	5,943,836	15,008,836
2041-2045	11,585,000	3,617,482	15,202,482
2046-2049	8,200,000	866,119	9,066,119
	$ 41,565,000	$ 27,945,603	$ 69,510,603

The District has authorized but unissued tax bonds totaling $68,085,000 for utilities, $7,250,000 for parks and recreation and $3,730,000 for roads.

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

During the year ended September 30, 2025, the District levied an ad valorem debt service tax rate of $0.45 per $100 of assessed valuation, which resulted in a tax levy of $1,351,482 on the adjusted taxable valuation of $300,369,352 for the 2024 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 5 for maintenance tax levy.

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Collector bills and collects the District's property taxes. The Board of Directors set the tax rate for the 2024 tax year on September 10, 2024.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $96,951 and the bank balance was $115,010. The District was not exposed to custodial credit risk at year-end.

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

	Cash
GENERAL FUND	$ 96,950
CAPITAL PROJECTS FUND	1
TOTAL DEPOSITS	$ 96,951

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District's investment policy may be more restrictive than the Public Funds Investment Act.

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

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Texas CLASS	$ 2,476,050	$ 2,476,050
DEBT SERVICE FUND		
Texas CLASS	2,173,841	2,173,841
CAPITAL PROJECTS FUND		
Texas CLASS	993,503	993,503
TOTAL INVESTMENTS	$ 5,643,394	$ 5,643,394

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2025, the District's investments in Texas CLASS were rated AAAm by Standard and Poor's. As of September 30, 2025, the District's bank deposits were fully covered by FDIC insurance.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

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

NOTE 5. MAINTENANCE TAX

On May 7, 2016, the voters of the District approved the levy and collection of a maintenance tax for operations and maintenance of all District facilities not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.40 per $100 of assessed valuation, which resulted in a tax levy of $1,201,317 on the adjusted taxable valuation of $300,369,352 for the 2024 tax year.

NOTE 6. CAPITAL ASSETS

Capital assets consisted of the following as of September 30, 2025:

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital Assets Not Being Depreciated				
Land	$ 945,479	$ -0-	$ -0-	$ 945,479
Construction in Progress	103,000		103,000	
Total Capital Assets Not Being Depreciated	$ 1,048,479	$ - 0 -	$ 103,000	$ 945,479
Capital Assets Subject to Depreciation				
Water, Wastewater and Drainage Facilities	$ 23,210,269	$ 7,291,658	$ -0-	$ 30,501,927
Road Improvements	7,934,026	5,501,439		13,435,465
Park and Recreational Improvements	53,009			53,009
Total Capital Assets Subject to Depreciation	$ 31,197,304	$ 12,793,097	$ -0-	$ 43,990,401
Accumulated Depreciation				
Water, Wastewater and Drainage Facilities	$ (1,586,133)	$ (346,941)	$ -0-	$ (1,933,074)
Road Improvements	(580,547)	(160,188)		(740,735)
Park and Recreational Improvements	(4,290)	(1,060)		(5,350)
Total Accumulated Depreciation	$ (2,170,970)	$ (508,189)	$ -0-	$ (2,679,159)
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 29,026,334	$ 12,284,908	$ -0-	$ 41,311,242
Total Assets, Net of Accumulated Depreciation	$ 30,074,813	$ 12,284,908	$ 103,000	$ 42,256,721

NOTE 7. UNREIMBURSED COSTS

The District has executed facilities and operating costs reimbursement agreements with the Developer. The agreements call for the Developer to fund costs associated with the construction of water, wastewater and drainage facilities, recreational facilities and road facilities. As of September 30, 2025, the District has recorded a liability of $15,417,122 for completed facilities. Reimbursement is contingent on the future sale of bonds to the extent approved by the Commission. The agreements also call for the Developers to fund operating costs of the District. As of fiscal year end, the Developers have advanced a total of $56,436 to cover operating deficits. The following activity occurred during fiscal year 2025 related to developer liabilities:

Due to Developers, October 1, 2024	$	19,132,816
Add: Additional Amounts Owed		13,133,178
Less: Amounts Paid		16,792,436
Due to Developers, September 30, 2025	$	15,473,558

NOTE 8. WATER SERVICE AND FACILITIES LEASE AGREEMENT

On June 13, 2019, the District approved the Water Facilities Lease Agreement (the "Agreement") with the West Travis County Public Utility Agency (the "PUA"). Per the Agreement, the District leases the water facilities related to Phase I (the "Leased Property") to the PUA for the provision of retail water service to customers within Phase I. The term of the agreement will continue until all Tax-Exempt Bonds, as defined in the Agreement, issued by the District to finance the acquisition or construction of the Leased Property are completely retired. At that time, ownership of the Leased Property will be fully conveyed to the PUA by the District.

The PUA shall provide retail treated water service to customers within Phase I pursuant to the Agreement for the Provision of Nonstandard Retail Water Service dated March 19, 2015. The PUA's rate tariff is applicable to its retail water customers within the District. The PUA shall establish customer accounts and bill and collect all related fees. The PUA's compensation for retail treated water operation, maintenance and management services it provides pursuant to the Agreement shall be satisfied from, and equal to, the revenues collected by the PUA from customers within Phase I.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and there have been no settlements.

NOTE 10. WASTEWATER TREATMENT PLANT LEASE

On July 18, 2018, the District entered into an equipment lease agreement for a 75,000 gallon per day pre-packaged sewage treatment plant (the "Phase I WWTP Lease"). The final payment of the original 60-month term Phase I WWTP Lease was paid last year and the remaining $11,201 lease liability was extinguished in October 2024. The lease automatically renews for successive ninety-day periods unless terminated by the District. The District has an option to purchase the equipment at any time by tendering payment of the residual value, as detailed in the lease agreement. During the year ended September 30, 2025, the District recognized payments totaling $108,000 related to Phase I WWTP Lease consisting of lease principal expenditures of $67,880 and lease interest expenditures of $40,120. In accordance with GASB Statement No. 87, because the Phase I WWTP Lease is considered short-term in nature, the District has not recorded a right-of-use asset or related lease liability for the Phase 1 WWTP Lease.

On February 14, 2023, the Developer entered into an equipment lease agreement for a second 75,000 gallon per day pre-packaged sewage treatment plant (the "Phase II WWTP Lease") and, in June 2025, assigned the Phase II WWTP Lease to the District. Under the Phase II WWTP Lease, lease payments of $11,200 are due monthly. The initial term of the lease, which begins on the first day of the month following substantial completion of the sewage treatment plant, is five years and will automatically be extended under the same terms for successive 90-day periods after the initial term of the lease until such time the District gives notice of its intent to exercise its purchase option, cancel or terminate the lease. The lease term began in March 2024 as the sewage treatment plant was substantially complete in February 2024. The lease agreement includes a purchase option whereby the District has an option to purchase the equipment at any time by tendering payment of the residual value, as detailed in the lease agreement. The Developer funded the first sixteen months of the sewage treatment plant lease on behalf of the District; however, since the assignment of the lease from the Developer to the District, the District has made three months of lease payments totaling $33,600.

In accordance with the requirements of GASB Statement No. 87, the District recorded a right-of-use asset and related lease liability on its books for the Phase II sewage treatment plant. The lease liability was measured using the initial lease term of five years and a discount rate of 11.25%. The right-of-use asset, current amortization expense, and accumulated amortization is summarized below:

	October 1, 2024	Increases	Decreases	September 30, 2025
Right-of-use Asset Subject to Amortization				
Wastewater Treatment Plant	$ 363,504	$ 402,428	$ 363,504	$ 402,428
Less Accumulated Amortization				
Wastewater Treatment Plant	$ 353,679	$ 37,263	$ 363,504	$ 27,438
Right-of-use Asset, Net of Accumulated Amortization	$ 9,825	$ 365,165	$ - 0 -	$ 374,990

NOTE 10. WASTEWATER TREATMENT PLANT LEASE (Continued)

During the current fiscal year, the Developer and the District paid lease payments on the Phase II WWTP Lease totaling $134,400, of which $86,316 applied to principal and $48,084 applied to interest. The beginning lease liability at the time of assignment was $402,428 and was reduced by current year principal repayments made by the District of $22,403, resulting in a fiscal year ending lease liability balance of $380,025 at September 30, 2025.

Future lease payments are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2026	$ 96,543	$ 37,857	$ 134,400
2027	107,982	26,418	134,400
2028	120,735	13,665	134,400
2029	54,765	1,235	56,000
Total	$ 380,025	$ 79,175	$ 459,200

NOTE 11. SUBSEQUENT EVENT

On November 20, 2025, the District closed on the issuance of $3,730,000 of Unlimited Tax Road Bonds, Series 2025A, with interest rates ranging from 4.00% to 6.50% and principal maturities through September 1, 2050. The proceeds of the bonds were used to finance construction costs associated with road improvements and to pay for future bond interest and bond issuance costs.

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 22

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,176,948	$ 1,194,538	$ 17,590
Sewer Fees	422,000	532,424	110,424
Drainage Fees	30,000	36,900	6,900
Tap Connection and Inspection Fees	108,000	138,643	30,643
Penalty and Interest	4,500	9,686	5,186
Investment Revenues	30,060	88,583	58,523
TOTAL REVENUES	$ 1,771,508	$ 2,000,774	$ 229,266
EXPENDITURES			
Service Operations:			
Professional Fees	$ 120,000	$ 198,521	$ (78,521)
Contracted Services	222,500	206,557	15,943
Utilities	2,000	1,595	405
Repairs and Maintenance	258,500	254,547	3,953
Other	119,960	82,282	37,678
Capital Outlay	25,000	16,845	8,155
Lease Payments	108,000	141,600	(33,600)
Bond Issuance Costs		14,920	(14,920)
TOTAL EXPENDITURES	$ 855,960	$ 916,867	$ (60,907)
NET CHANGE IN FUND BALANCE	$ 915,548	$ 1,083,907	$ 168,359
FUND BALANCE - OCTOBER 1, 2024	1,381,400	1,381,400	
FUND BALANCE - SEPTEMBER 30, 2025	$ 2,296,948	$ 2,465,307	$ 168,359

See accompanying independent auditor's report.

TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 22

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2025

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

	Retail Water		Wholesale Water	X	Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
X	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)				
	Other:				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order approved April 23, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	N/A*				
WASTEWATER:	$85.00	-0-	Y	N/A	N/A
SURCHARGE:	0.5%**				

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

Total monthly charges per 10,000 gallons usage: Water: N/A Wastewater: $85.00 Surcharge: $0.43

* Water service is provided by the West Travis County Public Utility Agency. See Note 8.
**Surcharge above is for the TCEQ regulatory assessment.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"			x 1.0	
1"			x 2.5	
1½"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	N/A*	N/A*		N/A*
Total Wastewater Connections	659	585	x 1.0	585

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

Gallons purchased:	N/A*	Water Accountability Ratio: (Gallons billed/Gallons purchased)
Gallons billed to customers:	N/A*	N/A*

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

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

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

*Water service is provided by the West Travis County Public Utility Agency. See Note 8.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes __X__ No _____

County in which District is located:

Travis County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all __X__

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

Entirely _____ Partly _____ Not at all __X__

ETJ in which District is located:

N/A

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PROFESSIONAL FEES:		
Auditing	$	15,750
Engineering		54,859
Legal		121,412
Financial Advisor		6,500
TOTAL PROFESSIONAL FEES	$	198,521
CONTRACTED SERVICES:		
Appraisal District	$	12,991
Bookkeeping		56,834
Operations and Billing		135,152
Tax Collector		1,580
TOTAL CONTRACTED SERVICES	$	206,557
UTILITIES -		
Electricity	$	896
Telephone		699
TOTAL UTILITIES	$	1,595
REPAIRS AND MAINTENANCE	$	254,547
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	10,230
Insurance		12,733
Legal Notices		5,616
Office Supplies and Postage		2,360
Travel and Meetings		723
Other		19,747
TOTAL ADMINISTRATIVE EXPENDITURES	$	51,409
CAPITAL OUTLAY	$	16,845
OTHER EXPENDITURES:		
Laboratory Fees	$	13,359
Permit Fees		1,250
Reconnection Fees		245
Inspection Fees		10,350
Regulatory Assessment		1,920
Sludge Hauling		2,995
Lease Payments		141,600
Other		754
TOTAL OTHER EXPENDITURES	$	172,473
BOND ISSUANCE COSTS	$	14,920
TOTAL EXPENDITURES	$	916,867

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
INVESTMENTS
SEPTEMBER 30, 2025

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0001	Varies	Daily	$ 2,476,050	$ - 0 -
DEBT SERVICE FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 2,173,549	$
Texas CLASS	XXXX0003	Varies	Daily	292	
TOTAL DEBT SERVICE FUND				$ 2,173,841	$ - 0 -
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0004	Varies	Daily	$ 25,383	$
Texas CLASS	XXXX0005	Varies	Daily	85,990	
Texas CLASS	XXXX0006	Varies	Daily	20,790	
Texas CLASS	XXXX0007	Varies	Daily	153,906	
Texas CLASS	XXXX0008	Varies	Daily	48,450	
Texas CLASS	XXXX0009	Varies	Daily	658,984	
TOTAL CAPITAL PROJECTS FUND				$ 993,503	$ - 0 -
TOTAL - ALL FUNDS				$ 5,643,394	$ - 0 -

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - OCTOBER 1, 2024	$ 2,504		$ 3,005	
Adjustments to Beginning Balance	(3,108)	$ (604)	(4,340)	$ (1,335)
Original 2024 Tax Levy	$ 1,210,011		$ 1,361,262	
Adjustment to 2024 Tax Levy	(8,694)	1,201,317	(9,780)	1,351,482
TOTAL TO BE ACCOUNTED FOR		$ 1,200,713		$ 1,350,147
TAX COLLECTIONS:				
Prior Years	$ (1,293)		$ (2,188)	
Current Year	1,195,831	1,194,538	1,345,310	1,343,122
TAXES RECEIVABLE - SEPTEMBER 30, 2025		$ 6,175		$ 7,025
TAXES RECEIVABLE BY YEAR:				
2024		$ 5,486		$ 6,172
2022		689		853
TOTAL		$ 6,175		$ 7,025

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	$ 138,621,614	$ 98,999,979	$ 48,915,032	$ 32,156,700
Improvements	202,333,252	193,671,742	180,446,700	44,420,462
Personal Property	307,429	330,973	292,074	469,924
Exemptions	(40,892,943)	(41,831,745)	(38,238,036)	(12,786,830)
TOTAL PROPERTY VALUATIONS (a)	$ 300,369,352	$ 251,170,949	$ 191,415,770	$ 64,260,256
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.45	$ 0.55	$ 0.47	$ 0.27
Maintenance	0.40	0.30	0.38	0.58
TOTAL TAX RATES PER $100 VALUATION	$ 0.85	$ 0.85	$ 0.85	$ 0.85
ADJUSTED TAX LEVY*	$ 2,552,799	$ 2,134,953	$ 1,627,893	$ 546,213
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED **	$ 99.54 %	100.00 %	99.91 %	100.00 %

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors, including tax protest and disputes, such valuations change over time; therefore, they vary slightly from those disclosed in the District's bond offering documents or the District's annual bond disclosure filings.

Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation approved by voters on May 7, 2016.

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

** Calculated as taxes collected in current and previous years divided by the tax levy. Calculated as of the time of the original tax levy and may vary from that provided in the District's bond offering documents or the District's annual disclosure filings.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2020 ROAD		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 95,000	$ 79,173	$ 174,173
2027	100,000	77,083	177,083
2028	100,000	74,783	174,783
2029	105,000	72,383	177,383
2030	110,000	69,759	179,759
2031	115,000	67,009	182,009
2032	115,000	64,019	179,019
2033	120,000	60,569	180,569
2034	125,000	56,969	181,969
2035	130,000	53,219	183,219
2036	135,000	49,189	184,189
2037	135,000	45,003	180,003
2038	140,000	40,819	180,819
2039	145,000	36,443	181,443
2040	150,000	31,913	181,913
2041	155,000	27,225	182,225
2042	160,000	22,110	182,110
2043	165,000	16,831	181,831
2044	170,000	11,385	181,385
2045	175,000	5,775	180,775
2046			
2047			
2048			
2049			
	$ 2,645,000	$ 961,659	$ 3,606,659

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2021 ROAD		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 85,000	$ 73,825	$ 158,825
2027	90,000	72,125	162,125
2028	95,000	70,325	165,325
2029	95,000	68,425	163,425
2030	100,000	66,525	166,525
2031	105,000	64,525	169,525
2032	110,000	62,293	172,293
2033	115,000	59,819	174,819
2034	120,000	57,087	177,087
2035	125,000	54,088	179,088
2036	125,000	50,963	175,963
2037	130,000	47,525	177,525
2038	140,000	43,950	183,950
2039	145,000	39,750	184,750
2040	150,000	35,400	185,400
2041	155,000	30,900	185,900
2042	160,000	26,250	186,250
2043	170,000	21,450	191,450
2044	175,000	16,350	191,350
2045	180,000	11,100	191,100
2046	190,000	5,700	195,700
2047			
2048			
2049			
	$ 2,760,000	$ 978,375	$ 3,738,375

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2022A		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 115,000	$ 268,150	$ 383,150
2027	125,000	261,250	386,250
2028	130,000	253,750	383,750
2029	135,000	247,250	382,250
2030	145,000	240,500	385,500
2031	150,000	232,888	382,888
2032	160,000	225,013	385,013
2033	170,000	216,612	386,612
2034	175,000	207,262	382,262
2035	185,000	197,638	382,638
2036	195,000	187,462	382,462
2037	205,000	176,250	381,250
2038	215,000	164,462	379,462
2039	225,000	152,100	377,100
2040	240,000	138,600	378,600
2041	250,000	124,200	374,200
2042	265,000	109,200	374,200
2043	280,000	93,300	373,300
2044	295,000	76,500	371,500
2045	310,000	58,800	368,800
2046	325,000	40,200	365,200
2047	345,000	20,700	365,700
2048			
2049			
	$ 4,640,000	$ 3,692,087	$ 8,332,087

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2022B		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 125,000	$ 295,300	$ 420,300
2027	135,000	285,925	420,925
2028	140,000	275,800	415,800
2029	150,000	268,800	418,800
2030	155,000	261,300	416,300
2031	165,000	253,550	418,550
2032	175,000	245,300	420,300
2033	180,000	235,675	415,675
2034	190,000	225,775	415,775
2035	200,000	215,325	415,325
2036	210,000	203,825	413,825
2037	220,000	191,750	411,750
2038	235,000	179,100	414,100
2039	245,000	165,000	410,000
2040	260,000	150,300	410,300
2041	275,000	134,700	409,700
2042	285,000	118,200	403,200
2043	305,000	101,100	406,100
2044	320,000	82,800	402,800
2045	335,000	63,600	398,600
2046	355,000	43,500	398,500
2047	370,000	22,200	392,200
2048			
2049			
	$ 5,030,000	$ 4,018,825	$ 9,048,825

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2022C ROAD		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 70,000	$ 161,900	$ 231,900
2027	70,000	155,950	225,950
2028	75,000	150,000	225,000
2029	80,000	145,500	225,500
2030	85,000	140,700	225,700
2031	90,000	135,600	225,600
2032	90,000	130,200	220,200
2033	95,000	124,800	219,800
2034	100,000	119,100	219,100
2035	105,000	113,100	218,100
2036	110,000	106,800	216,800
2037	115,000	100,200	215,200
2038	125,000	93,300	218,300
2039	130,000	85,800	215,800
2040	135,000	78,000	213,000
2041	145,000	69,900	214,900
2042	150,000	61,200	211,200
2043	160,000	52,200	212,200
2044	165,000	42,600	207,600
2045	175,000	32,700	207,700
2046	180,000	22,200	202,200
2047	190,000	11,400	201,400
2048			
2049			
	$ 2,640,000	$ 2,133,150	$ 4,773,150

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2025		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 520,000	$ 1,172,169	$ 1,692,169
2027	545,000	1,137,069	1,682,069
2028	575,000	1,100,281	1,675,281
2029	605,000	1,061,469	1,666,469
2030	635,000	1,020,631	1,655,631
2031	670,000	977,769	1,647,769
2032	705,000	932,544	1,637,544
2033	740,000	884,956	1,624,956
2034	780,000	835,006	1,615,006
2035	820,000	782,356	1,602,356
2036	865,000	747,506	1,612,506
2037	910,000	710,744	1,620,744
2038	960,000	672,069	1,632,069
2039	1,010,000	631,269	1,641,269
2040	1,060,000	588,344	1,648,344
2041	1,115,000	543,294	1,658,294
2042	1,175,000	495,906	1,670,906
2043	1,240,000	444,500	1,684,500
2044	1,305,000	390,250	1,695,250
2045	1,370,000	333,156	1,703,156
2046	1,445,000	273,219	1,718,219
2047	1,520,000	210,000	1,730,000
2048	1,600,000	143,500	1,743,500
2049	1,680,000	73,500	1,753,500
	$ 23,850,000	$ 16,161,507	$ 40,011,507

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 1,010,000	$ 2,050,517	$ 3,060,517
2027	1,065,000	1,989,402	3,054,402
2028	1,115,000	1,924,939	3,039,939
2029	1,170,000	1,863,827	3,033,827
2030	1,230,000	1,799,415	3,029,415
2031	1,295,000	1,731,341	3,026,341
2032	1,355,000	1,659,369	3,014,369
2033	1,420,000	1,582,431	3,002,431
2034	1,490,000	1,501,199	2,991,199
2035	1,565,000	1,415,726	2,980,726
2036	1,640,000	1,345,745	2,985,745
2037	1,715,000	1,271,472	2,986,472
2038	1,815,000	1,193,700	3,008,700
2039	1,900,000	1,110,362	3,010,362
2040	1,995,000	1,022,557	3,017,557
2041	2,095,000	930,219	3,025,219
2042	2,195,000	832,866	3,027,866
2043	2,320,000	729,381	3,049,381
2044	2,430,000	619,885	3,049,885
2045	2,545,000	505,131	3,050,131
2046	2,495,000	384,819	2,879,819
2047	2,425,000	264,300	2,689,300
2048	1,600,000	143,500	1,743,500
2049	1,680,000	73,500	1,753,500
	$ 41,565,000	$ 27,945,603	$ 69,510,603

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Description	Original Bonds Issued	Bonds Outstanding October 1, 2024
Travis County Municipal Utility District No. 22 Unlimited Tax Road Bonds - Series 2020	$ 3,000,000	$ 2,740,000
Travis County Municipal Utility District No. 22 Unlimited Tax Road Bonds - Series 2021	3,000,000	2,845,000
Travis County Municipal Utility District No. 22 Unlimited Tax Bonds - Series 2022A	4,800,000	4,750,000
Travis County Municipal Utility District No. 22 Unlimited Tax Bonds - Series 2022B	5,265,000	5,150,000
Travis County Municipal Utility District No. 22 Unlimited Tax Road Bonds - Series 2022C	2,770,000	2,705,000
Travis County Municipal Utility District No. 22 Unlimited Tax Bonds - Series 2025	23,850,000	
TOTAL	$ 42,685,000	$ 18,190,000

Bond Authority:	Tax Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 102,000,000	$ 7,250,000	$ 12,500,000
Amount Issued	33,915,000		8,770,000
Remaining to be Issued	$ 68,085,000	$ 7,250,000	$ 3,730,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding September 30, 2025	Paying Agent
$	$ 95,000	$ 81,169	$ 2,645,000	UMB Bank, N.A. Austin, Texas
	85,000	75,525	2,760,000	UMB Bank, N.A. Austin, Texas
	110,000	272,962	4,640,000	UMB Bank, N.A. Austin, Texas
	120,000	304,300	5,030,000	UMB Bank, N.A. Austin, Texas
	65,000	167,425	2,640,000	UMB Bank, N.A. Austin, Texas
23,850,000		348,395	23,850,000	UMB Bank, N.A. Austin, Texas
$ 23,850,000	$ 475,000	$ 1,249,776	$ 41,565,000	

Debt Service Fund cash and investment balances as of September 30 2025:	$ 2,173,841
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,896,275

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

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 1,194,538	$ 756,054	$ 724,399
Sewer Fees	532,424	419,826	314,736
Drainage Fees	36,900	35,400	21,000
Tap, Connection and Inspection Fees	138,643	130,275	74,795
Penalty and Interest	9,686	9,215	3,366
Transfer In			109,643
Developer Advances			
Insurance Proceeds			54,500
Investment and Miscellaneous Revenues	88,583	57,694	27,993
TOTAL REVENUES	$ 2,000,774	$ 1,408,464	$ 1,330,432
EXPENDITURES			
Professional Fees	$ 198,521	$ 103,425	$ 96,259
Contracted Services	206,557	190,631	136,752
Utilities	1,595	1,597	1,444
Repairs and Maintenance	254,547	165,072	212,470
Other	82,282	86,338	82,089
Capital Outlay	16,845	50,762	190,598
Lease Payments	141,600	134,400	134,400
Bond Issuance Costs	14,920		
TOTAL EXPENDITURES	$ 916,867	$ 732,225	$ 854,012
NET CHANGE IN FUND BALANCE	$ 1,083,907	$ 676,239	$ 476,420
BEGINNING FUND BALANCE (DEFICIT)	1,381,400	705,161	228,741
ENDING FUND BALANCE	$ 2,465,307	$ 1,381,400	$ 705,161

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 371,864	$ 170,815	59.7 %	53.7 %	54.4 %	47.0 %	20.2 %
311,500	180,531	26.6	29.8	23.7	39.3	21.3
10,200	54,300	1.9	2.5	1.6	1.3	6.4
39,119	191,500	6.9	9.2	5.6	5.0	22.6
4,336	1,358	0.5	0.7	0.3	0.5	0.2
12,000				8.2	1.5	
40,500	247,626				5.1	29.3
				4.1		
2,238	70	4.4	4.1	2.1	0.3	
$ 791,757	$ 846,200	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 92,653	$ 132,801	9.9 %	7.4 %	7.2 %	11.8 %	15.7 %
119,668	96,650	10.4	13.6	10.3	15.1	11.4
361		0.1	0.1	0.1		
168,655	121,471	12.7	11.7	16.0	21.3	14.4
61,253	229,880	4.1	6.1	6.2	7.7	27.2
101,142		0.8	3.6	14.3	12.8	
134,400		7.1	9.5	10.1	17.0	
105,443	16,200	0.7			13.3	1.9
$ 783,575	$ 597,002	45.8 %	52.0 %	64.2 %	99.0 %	70.6 %
$ 8,182	$ 249,198	54.2 %	48.0 %	35.8 %	1.0 %	29.4 %
220,559	(28,639)					
$ 228,741	$ 220,559					

See accompanying independent auditor's report.

TRAVIS COUNTYMUNICIPAL UTILITY DISTRICT NO. 22
COMPARATIVE SCHEDULE OF REVENUE AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 1,343,122	$ 1,382,065	$ 895,968
Penalty and Interest	1,719	5,681	1,346
Investment Revenues	109,116	103,709	70,921
Miscellaneous Revenues			276
TOTAL REVENUES	$ 1,453,957	$ 1,491,455	$ 968,511
EXPENDITURES			
Debt Service Principal	$ 475,000	$ 400,000	$ 160,000
Debt Service Interest and Fees	1,251,776	923,056	709,344
TOTAL EXPENDITURES	$ 1,726,776	$ 1,323,056	$ 869,344
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (272,819)	$ 168,399	$ 99,167
OTHER FINANCING SOURCES			
Long-Term Debt Issued	$ 1,172,169	$ - 0 -	$ 869,875
NET CHANGE IN FUND BALANCE	$ 899,350	$ 168,399	$ 969,042
BEGINNING FUND BALANCE	1,274,399	1,106,000	136,958
ENDING FUND BALANCE	$ 2,173,749	$ 1,274,399	$ 1,106,000
TOTAL ACTIVE RETAIL WATER CONNECTIONS	*	*	*
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	585	454	345

* Water service is provided by the West Travis County Public Utility Agency.

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 173,503	$	92.4 %	92.6 %	92.5 %	98.8 %	%
148		0.1	0.4	0.1	0.1	
1,887	42	7.5 %	7.0 %	7.3 %	1.1 %	5.4 %
	734			0.1		94.6
$ 175,538	$ 776	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 85,000	$	32.7 %	26.8 %	16.6 %	48.4 %	%
143,890	61,191	86.1	61.9	73.2	82.0	7,885.4
$ 228,890	$ 61,191	118.8 %	88.7 %	89.8 %	130.4 %	7,885.4 %
$ (53,352)	$ (60,415)	(18.8) %	11.3 %	10.2 %	(30.4) %	(7,785.4) %
$ 78,625	$ 172,100					
$ 25,273	$ 111,685					
111,685						
$ 136,958	$ 111,685					
*	*					
316	252					

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

District Mailing Address - Travis County Municipal
Utility District No. 22
c/o The Carlton Law Firm, PLLC
4301 Westbank Drive, Suite B-130
Austin, TX 78746

District Telephone Number - (512) 614-0901

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2025	Expense Reimbursements for the year ended September 30, 2025	Title
Nate Gilbert	05/2024 05/2028 (Elected)	$ 2,210	$ -0-	President
Homero Garcia	05/2024 05/2028 (Elected)	$ 2,431	$ -0-	Vice President
Chris Madden	07/2025 05/2028 (Appointed)	$ 663	$ -0-	Secretary
Brandon Epps	05/2024 07/2025 (Resigned)	$ 1,989	$ 559	Former Director

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

Submission date of most recent District Registration Form: July 23, 2025

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 22
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Consultants:	Date Hired	Fees / Compensation for the year ended September 30, 2025	Title
The Carlton Law Firm, PLLC	05/13/2024	$ 122,884 $ 357,750	General Counsel Bond Related
McLean & Howard, LLP	04/18/2017	$ 357,750	Bond Counsel
McCall, Parkhurst & Horton L.L.P.	04/18/2017	$ 57,700	Disclosure and Special Tax Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	08/27/2020	$ 15,750 $ 25,500	Auditor Bond Related
Municipal Accounts & Consulting, L.P.	12/16/2015	$ 58,072 $ 5,000	Bookkeeper Bond Related
Moody Engineering	08/20/2025	$ 4,970	Engineer
LJA Engineering	12/16/2015	$ 57,679	Former Engineer
Jones-Heroy & Associates, Inc.	02/04/2016	$ 100,845	Bond Engineer
Crossroads Utility Services	08/21/2023	$ 307,213	Operator
Masterson Advisors LLC	02/11/2025	$ 387,325	Financial Advisor
Specialized Public Finance, Inc.	08/29/2018	$ 4,000	Former Financial Advisor
Mark Burton and Ghia Lewis	12/16/2015	$ -0-	Investment Officer
Travis County Tax Assessor/Collector	04/09/2018	$ 1,580	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $ _____
Total Insurance Payment: $_____

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

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

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

SPECIMEN

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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