OFFICIAL STATEMENT DATED OCTOBER 19, 2026

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the Issuer (defined herein) after the date of initial delivery of the Bonds described below (the "Bonds") with certain covenants contained in the Order (defined below) authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and (2) will not be an item of tax preference for purposes of the alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. See "TAX MATTERS" herein.

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

NEW ISSUE – BOOK-ENTRY-ONLY

Rating: S&P: "AA" (BAM Insured)
(see "SALE AND DISTRIBUTION OF THE BONDS – Municipal Bond Rating" and "BOND INSURANCE" herein)

$3,550,000
COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
(A political subdivision of the State of Texas located within Collin County)

UNLIMITED TAX ROAD BONDS, SERIES 2026

Dated: November 1, 2026 Due: September 1, as shown below

The $3,550,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are obligations solely of Collin County Municipal Utility District No. 10 (the "District") and are not obligations of the State of Texas; Collin County, Texas; the City of Princeton, Texas; or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. INVESTMENT IN THE BONDS IS SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN INCLUSING A HIGH CONCENTRATION OF OWNERSHIP OF TAXABLE PROPERTY AND VERY EARLY STAGES OF DEVELOPMENT. See "RISK FACTORS."

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially, UMB Bank, N.A., in Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds accrues from November 1, 2026 (the "Dated Date") and will be payable on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds is payable on each March 1 and September 1, commencing September 1, 2027, until maturity or prior redemption. The Bonds will be issued only in fully registered form in principal denominations of $5,000 or integral multiples thereof. The Bonds mature and are subject to redemption prior to their maturity, as shown below.

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

MATURITY SCHEDULE

CUSIP Prefix: 19475B[(a)]

Maturity Amount	Maturity (September 1)		Interest Rate	Initial Yield[(c)]	CUSIP Suffix[(a)]
$ 40,000	2028		99.000%	8.000%	CK5
45,000	2029		99.000%	8.000%	CL3
45,000	2030		99.000%	8.000%	CM1
50,000	2031		99.000%	8.000%	CN9
50,000	2032		99.000%	8.000%	CP4
60,000	2033		99.000%	8.000%	CQ2
60,000	2034		99.000%	8.000%	CR0
70,000	2035	(b)	95.000%	8.000%	CS8
70,000	2036	(b)	10.000%	4.550%	CT6

$255,000 7.000% Term Bond due September 1, 2039[(b)(d)] at a Price of 113.798 to Yield 4.850%[(c)], CUSIP Suffix[(a)] CW9
$295,000 6.000% Term Bond due September 1, 2042[(b)(d)] at a Price of 106.046 to Yield 5.050%[(c)], CUSIP Suffix[(a)] CZ2
$340,000 6.000% Term Bond due September 1, 2045[(b)(d)] at a Price of 105.061 to Yield 5.200%[(c)], CUSIP Suffix[(a)] DC2
$255,000 6.000% Term Bond due September 1, 2047[(b)(d)] at a Price of 104.475 to Yield 5.290%[(c)], CUSIP Suffix[(a)] DE8
$1,915,000 0.050% Term Bond due September 1, 2056[(b)(d)] at a Price of 18.388 to Yield 5.900%[(c)], CUSIP Suffix[(a)] DP3

(a) 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.

(b) Bonds maturing on and after September 1, 2035, are subject to redemption at the option of the District prior to their maturity dates in whole or from time to time in part, on September 1, 2034, or on any date thereafter at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS - Redemption Provisions."

(c) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (defined herein). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first optional redemption date. Accrued interest is to be added to the price.

(d) Subject to mandatory sinking fund redemption. See "THE BONDS – Redemption Provisions – Mandatory Sinking Fund Redemption."

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"). See "BOND INSURANCE" herein.

The Bonds are offered by the winning bidder for the Bonds (the "Initial Purchaser") subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Winstead PC, Dallas, Texas, Bond Counsel. Certain legal matters will be reviewed by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Disclosure Counsel to the District. See "LEGAL MATTERS." Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about November 17, 2026.

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APPENDIX B - General Fund and Operating Budget of the District for the year ending February 28, 2027

APPENDIX C - Form of Bond Counsel's Opinion

APPENDIX D - Specimen Municipal Bond Insurance Policy

USE OF INFORMATION IN OFFICIAL STATEMENT

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in Rule 15c2-12.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, 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 Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas, 75201.

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 (as herein defined) and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT – Updating the Official Statement."

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by Robert W. Baird & Co., Inc. (the "Initial Purchaser") paying the interest rates shown on the cover page hereof, at a price of 98.000003% of the principal amount thereof plus accrued interest to the date of delivery which resulted in a net effective interest rate of 5.001282%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

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 a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial 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 which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and

quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Securities Laws

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

Municipal Bond Insurance

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 "BOND INSURANCE" and "Appendix D - Specimen Municipal Bond Insurance Policy".

Municipal Bond Rating

The District did not apply for an underlying municipal bond rating. S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned its municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by BAM. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating, may have an adverse effect on the market price or marketability of the Bonds.

(Continues on following page)

OFFICIAL STATEMENT SUMMARY

The following is a brief summary of certain information contained herein which is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. THE SUMMARY MUST NOT BE DETACHED AND SHOULD BE USED IN CONJUNCTION WITH MORE COMPLETE INFORMATION CONTAINED HEREIN. A FULL REVIEW SHOULD BE MADE OF THE ENTIRE OFFICIAL STATEMENT AND OF THE DOCUMENTS SUMMARIZED OR DESCRIBED THEREIN.

THE DISTRICT

Description... In an order dated July 13, 2023, the Texas Commission on Environmental Quality (the "TCEQ") granted the petition of Arbor Trails Land, LLC for creation of Collin County Municipal Utility District No. 10 (the "District") pursuant to Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and Texas Water Code, Chapters 49 and 54. The District has, and is subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the TCEQ and the general laws of the State of Texas relating to municipal utility districts, including road powers under Texas Water Code § 54.234, subject to the requirements of the TCEQ and the general laws of the State of Texas relating to the exercise of such powers. At the time of creation, the District contained 72.0209 acres. The District was confirmed at an election held on November 7, 2023. On November 13, 2023, the District added an additional 29.15 acres of land upon petition from Arbor Trails Land, LLC bringing the total District acreage to 101.1709 acres. On October 21, 2024, the District added an additional 43.644 acres of land upon petition from Arbor Trails Land, LLC bringing the total District acreage to 144.8149 acres. On February 10, 2025, the District added an additional 40.722 acres of land upon petition from S2 Land Development, LLC, bringing the total District acreage to 185.5369 acres. On February 2, 2026, the District added an additional 42.94 acres of land, bringing the total District acreage to the current 228.4769 acres.

Location... The District is located in unincorporated Collin County adjacent to County Road 437 approximately 1.5 miles south of Farm to Market Road 546. The District is approximately 8.2 miles south of the City of Princeton, Texas (the "City") in the "peninsula" surrounded by Lavon Lake.

The Developer... Arbor Trails Land, LLC, a Texas limited liability company, is currently the only developer of land within the District (the "Developer"), and is managed by S2 Land Development LLC ("S2 Land"). Pursuant to a development management services agreement between the Developer and S2 Land, S2 Land has agreed to furnish administration, development, and management services in connection with the entitlement and development of the District. S2 Land has developed over 2,300 single-family residential lots in the Dallas-Fort Worth Metroplex/North Texas area, and is currently in the process of developing an additional 940 single-family residential lots not including development of single-family residential lots within the District. See "THE DEVELOPER."

Status of Development... A portion of the District has been developed as Arbor Trails by the Developer. As of August 31, 2026, completed development consisted of approximately total 123.727 acres of Arbor Trails Phase 1 (261 single-family residential lots), Arbor Trails Phase 2 (217 single-family residential lots), Arbor Trails South (268 single-family residential lots), and Arbor Lakes 1A (135 single-family residential lots). An additional approximately 21.142 acres, known as Arbor Lakes 2A, are currently under development (123 single-family residential lots).

The District currently has a total of 123.727 developed acres and 21.142 acres under development. There are approximately 83.608 developable acres of land within the District. See "THE DISTRICT – Land Use" and "– Status of Development."

At this time, Arbor Trails Phase 1 pocket park with playground and shaded structure is complete. Arbor South pocket park with playground and shaded structure is also complete.

Homebuilders... Homebuilding in Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South of the District is currently being conducted by D.R. Horton ("D.R. Horton"), and homebuilding in Arbor Lakes 1A and Arbor Lakes 2A will be conducted by Imagination Homes, LLC ("Imagination Homes", and together with D.R. Horton, the "Homebuilders"). As of August 31, 2026, there were 556 completed homes (including 8 models) and 22 homes under construction in Arbor Trails Phase 2 and Arbor Trails South. All lots within Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South have been purchased by D.R. Horton. D.R. Horton currently owns 168 finished but

vacant lots within Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South. Imagination Homes is currently under contact with all 258 lots within Arbor Lakes 1A and Arbor Lakes 2A, of which 135 lots are finished but vacant and 123 lots are currently under development.

The contracts for sale of lots between the Developer and the Homebuilders require that earnest money be deposited with a title company, typically 10% of the total price of completed lots, and establish certain required purchases on a fixed schedule. The Developer's sole remedies for Homebuilders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of earnest money. The Homebuilders are current with lot takedown requirements.

THE BONDS

Description... $3,550,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are being issued as fully registered bonds pursuant to an order (the "Bond Order") authorizing the issuance of the Bonds adopted at the date of the sale of the Bonds by the District's Board of Directors (the "Board"). The Bonds are scheduled to mature on the dates and in the principal amounts and pay interest at the rates shown on the cover page hereof. The Bonds will be issued in book-entry form only in principal denominations of $5,000 or integral multiples of $5,000. Interest on the Bonds accrues from November 1, 2026 and is payable on September 1, 2027, and on each March 1 and September 1 thereafter until the earlier of maturity or redemption. See "THE BONDS" and "BOOK-ENTRY-ONLY SYSTEM."

Redemption... Bonds maturing on and after September 1, 2035 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, 2034, and on any date thereafter at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS – Redemption Provisions."

Use of Proceeds... Proceeds from the sale of the Bonds will be used to reimburse the Developer for certain road facilities built within the District and to finance 12 months of capitalized interest calculated at the net effective interest rate. Bond proceeds will also be used to finance certain costs related to the issuance of the Bonds. See "THE BONDS – Purpose" and "ESTIMATED USE AND DISTRIBUTION OF BOND PROCEEDS."

Authority for Issuance... The Bonds are issued pursuant to an order (the "Bond Order") adopted on October 19, 2026 by the Board of Directors of the District (the "Board"), the Texas Constitution and the general laws of the State of Texas, and an election held within the boundaries of the District. See "THE BONDS – Authority for Issuance." At elections held within the District on November 5, 2024, voters authorized a total of $275,900,000 of unlimited tax bonds, consisting of $104,700,000 for road purposes (the "Road Bonds") and $171,200,000 for water, sewer, and drainage purposes (the "Utility Bonds"). After the issuance of the Bonds, the District will have $94,665,000 in Road Bonds and $171,200,000 in Utility Bonds authorized but unissued. Voters in the District have also authorized $130,875,000 in bonds for the purpose of refunding Road Bonds (the "Road Refunding Bonds") and $214,000,000 in bonds for the purpose of refunding Utility Bonds (the "Utility Refunding Bonds"). See "THE BONDS – Issuance of Additional Debt."

Source and Security for Payment... Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations solely of the District and are not obligations of the City of Princeton, Texas; Collin County, Texas; the State of Texas or any entity other than the District. See "THE BONDS – Source and Security for Payment."

Outstanding Bonds... The District has $6,485,000 in unlimited tax road bonds outstanding (the "Outstanding Bonds"). The Bonds are the District's third series of unlimited tax road bonds. The District has not issued unlimited tax utility bonds.

Payment Record... The District has never defaulted in the timely payment of any of its Outstanding Bonds.

Qualified Tax-Exempt Obligations...	The District has designated the Bonds as "qualified tax-exempt obligations" for financial institutions.
Municipal Bond Rating…	The District did not apply for an underlying municipal bond rating. S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned its municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by BAM (defined herein) See "SALE AND DISTRIBUTION OF THE BONDS – Municipal Bond Rating".
Municipal Bond Insurance…	The scheduled payment of principal 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"). See "BOND INSURANCE" herein."
Bond Counsel...	Winstead PC, Dallas, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."
General Counsel...	Winstead PC, Dallas, Texas. See "MANAGEMENT OF THE DISTRICT."
Disclosure Counsel...	McCall, Parkhurst & Horton, L.L.P., Dallas, Texas. See "MANAGEMENT OF THE DISTRICT."
Municipal Advisor…	Hilltop Securities Inc., Dallas, Texas. See "MANAGEMENT OF THE DISTRICT" and "PREPARATION OF OFFICIAL STATEMENT – Municipal Advisor."
Engineer…	Kimley-Horn and Associates, Inc., Celina, Texas. See "MANAGEMENT OF THE DISTRICT."
Paying Agent/Registrar...	UMB Bank, N.A., Dallas, Texas. See "THE BONDS – Method of Payment of Principal and Interest."

RISK FACTORS

THE PURCHASE AND OWNERSHIP OF THE BONDS DESCRIBED HEREIN 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 "RISK FACTORS."

(Continues on following page)

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Certified Net Taxable Assessed Valuation	$	119,841,711	(1)
Estimated Taxable Assessed Valuation as of August 31, 2026	$	148,319,477	(2)
Direct Debt:			
Outstanding Bonds	$	6,485,000	
The Bonds		3,550,000	
Total Direct Debt	$	10,035,000	
Estimated Overlapping Debt	$	15,605,991	(3)
Total Direct Debt and Estimated Overlapping Debt	$	25,640,991	
Ratio of Direct Debt to:			
2026 Certified Net Taxable Assessed Valuation		8.37%	
Ratio of Direct Debt and Estimated Overlapping Debt to:			
2026 Certified Net Taxable Assessed Valuation		21.40%	
Ratio of Direct Debt to:			
Estimated Taxable Assessed Valuation as of August 31, 2026		6.77%	
Ratio of Direct Debt and Estimated Overlapping Debt to:			
Estimated Taxable Assessed Valuation as of August 31, 2026		17.29%	
Average Annual Debt Service Requirement (2027-2056)	$	643,911	(4)
Maximum Annual Debt Service Requirement (2028)	$	953,051	(4)
Tax Rate Required to Pay Average Annual Debt Service (2027-2056) at a 98% Collection Rate			
Based upon the 2026 Certified Net Taxable Assessed Valuation	$	0.5483	(4)
Based upon the Estimated Taxable Assessed Valuation as of August 31, 2026	$	0.4430	(4)
Tax Rate Required to Pay Maximum Annual Debt Service (2028) at a 98% Collection Rate			
Based upon the 2026 Certified Net Taxable Assessed Valuation	$	0.8115	(4)
Based upon the Estimated Taxable Assessed Valuation as of August 31, 2026	$	0.6557	(4)
2026 District Tax Rate (per $100 Assessed Valuation)			(5)
Road Debt Service	$	0.6922	
Utility Debt Service		-	
Maintenance and Operations		0.3078	
Total Tax Rate	$	1.0000	
General Fund Balance as of 9/14/2026	$	47,152	(6)
Capital Projects Fund Balance as of 9/14/2026	$	69,031	
Road Debt Service Fund Balance (at Delivery Date of the Bonds)	$	412,033	(7)
Utility Debt Service Fund Balance as of 9/14/2026	$	-	
Status of Estimated Home Construction as of August 31, 2026[8]			
Single Family Homes Completed (including 8 Models)		556	
Single Family Homes Under Construction		22	
Total		578	
Status of Lot Production and Ownership as of August 31, 2026[8]			
Developed Lots Owned by Developer		135	
Developed Lots Owned by Homebuilder		234	
Developed Lots Owned by Homeowners		512	
Lots Under Construction Owned by Developer		123	
Total		1,004	

(1) As provided by the Collin Central Appraisal District.
(2) As provided by the Collin Central Appraisal District as of August 31, 2026. For illustration purposes only. No taxes will be levied on this amount.
(3) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) - Estimated Overlapping Debt and Taxes."
(4) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) - Estimated Debt Service Requirements."
(5) See "TAX DATA." Future taxes deposited to the Road Debt Service Fund cannot be used to pay debt service on other District obligations that are not the Outstanding Bonds, the Bonds or future road bonds. The District adopted a road debt service tax rate of $0.6922 per $100 in taxable appraised value on September 14, 2026. The District adopted a maintenance and operation tax rate of $0.3078 per $100 in taxable appraised value on September 14, 2026.
(6) See "RISK FACTORS - Operating Funds."
(7) Funds in the Road Bond Debt Service Fund are pledged only to pay the debt service on Outstanding Bonds, the Bonds and any additional road bonds. Neither Texas law nor the Bond Order require the District to maintain any minimum balance in the Road Bond Debt Service Fund. Upon delivery of the Bonds, the District will deposit the accrued interest from the Dated Date to the Delivery Date in the Road Debt Service Fund plus 12 months of capitalized interest calculated at the net effective interest rate.
(8) As reported by the Developer.

OFFICIAL STATEMENT

$3,550,000

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

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

UNLIMITED TAX ROAD BONDS
SERIES 2026

This Official Statement provides certain information in connection with the issuance by Collin County Municipal Utility District No. 10 (the "District") of its $3,550,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

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

This Official Statement includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about the District, the Developers, and development activity in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Winstead PC, General Counsel, 2728 N. Harwood Street, Suite 500, Dallas, Texas, 75201.

RISK FACTORS

General

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

Economic Factors and Interest Rates

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

Credit Markets and Liquidity in the Financial Markets

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

Competition

The demand for and construction of single-family homes in the District, which is 8.2 miles from the City of Princeton, Texas, could be affected by competition from other residential developments including other residential developments located in the vicinity of the District. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods closer to the City. Such homes could represent additional competition for new homes proposed to be sold within the District.

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

Development and Home Construction in the District

As of August 31, 2026, there were 881 single-family residential lots developed within the Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A sections of the District, and 123 single-family residential lots under development in the Arbor Lakes 2A section of the District. Within Arbor Trails Phase 1, Arbor Trails Phase 2 and Arbor Trails South, there were 556 completed homes (including 8 models), 22 developed lots had homes under construction, and 168 developed lots remained vacant. All 135 lots within Arbor Lakes 1A have been developed and are currently vacant. All 123 lots within Arbor Lakes 2A are currently under development. All 746 lots within Arbor Trails Phase 1, Arbor Trails Phase 2 and Arbor Trails South have been purchased by D.R. Horton. All 258 lots within Arbor Lakes 1A and Arbor Lakes 2A are under contract with Imagination Homes.

Failure of the Homebuilders to construct taxable improvements on developed lots could result in increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and the contractual obligations of the District. Future increases in value will result primarily from the construction of homes by the Homebuilders. See "THE DEVELOPERS – Homebuilders."

Dependence on Significant Taxpayers

AS OF TAX YEAR 2026, THE DEVELOPER IS RESPONSIBLE FOR 14.20% OF THE DISTRICT'S 2026 AD VALOREM PROPERTY TAXES, AND THE HOMEBUILDERS AND THEIR AFFILIATES ARE RESPONSIBLE FOR 10.97% OF THE DISTRICT'S 2026 AD VALOREM PROPERTY TAXES. See "TAX DATA – Principal Taxpayers." While neither the Developer, the Homebuilders, nor any taxpayer within the District is obligated to make the debt service payments contemplated hereunder, the ability of any significant taxpayer, such as the Developer and the Homebuilders, to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, one or more significant taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy additional taxes or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Order, nor is it required by Texas law, to maintain any particular balance in its Road Bond Debt Service Fund (defined herein) or any other funds to allow for any such delinquencies. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. Therefore, failure by one or more significant taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds on a current basis. In addition, for so long as the District's tax base continues to be concentrated in a relatively small number of taxpayers, the willingness and ability of such taxpayers to pay maintenance and operation taxes and to make future operating advances may affect the flow of funds into the District's General Fund.

Undeveloped Acreage/Vacant Lots

As of August 31, 2026, there were approximately 83.608 developable acres of land within the District (not including the 123.727 acres already developed by the Developer for construction of 881 single-family residential lots in Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A, and the 21.142 acres currently being developed by the Developer for construction of 123 single-family residential lots in Arbor Lakes 2A) that have not been fully provided with water, wastewater and storm drainage facilities and roads. The District makes no representation as to when or if development of this acreage will occur. As of August 31, 2026, there were 303 vacant developed lots of which 168 were owned by D.R. Horton and 135 were under contract with Imagination Homes. See "THE DISTRICT – Land Use." Failure of the Developer and/or Homebuilders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District

issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Increase in Costs of Building Materials

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

Overlapping Debt and Taxes

The District cannot predict and has no control over future debt and tax plans of the overlapping jurisdictions – See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) – Estimated Overlapping Debt and Taxes." There can be no assurances that the composite of the tax rates imposed by all jurisdictions on property in the District will be competitive with the composite of the tax rates imposed on competing projects in the Collin County area. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected.

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. After issuance of the Bonds, the average annual debt service requirement is $643,911 (2027 through 2056) and the maximum annual debt service requirement is $953,051 (2028). The 2026 certified net taxable assessed valuation of the District is $119,841,711. Assuming no increase or decrease from the 2026 certified net assessed valuation and no use of funds other than tax collections, a tax rate of $0.5483 per $100 assessed valuation at a 98% collection rate would be necessary to pay the estimated average annual debt service requirement, and a tax rate of 0.8115 per $100 assessed valuation at a 98% collection rate would be necessary to pay the estimated maximum annual debt service requirement (see "DEBT AND FINANCIAL INFORMATION – Debt Service Requirements"). The estimated taxable assessed valuation of the District as of August 31, 2026 is $148,319,477. Assuming no increase or decrease from the estimated taxable assessed valuation as of August 31, 2026 and no use of funds other than tax collections, a tax rate of $0.4430 per $100 assessed valuation at a 98% collection rate would be necessary to pay the average annual debt service requirement, and a tax rate of $0.6557 per $100 assessed valuation at a 98% collection rate would be necessary to pay the maximum annual debt service requirement (see "DEBT AND FINANCIAL INFORMATION –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 certified net taxable assessed valuation and the estimated taxable assessed valuation as of August 31, 2026, 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 significant taxpayers do not timely pay their District taxes. Any increase in taxable values depends 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."

Developer/Homebuilders Under No Obligation to the District

There are no commitments from or obligations of the Developer or the Homebuilders within the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes 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 and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District.

Operating Funds

The District's only source of operating revenue is maintenance and operation tax revenue. The District does not collect water or wastewater revenues from its residents. The District adopted a 2026 maintenance and operation rate of $0.3078 per $100 on September 14, 2026. The District's general fund balance as of September 14, 2026 was $47,151.50. The revenue produced from a $0.3078 maintenance and operation tax in 2026 is expected to be sufficient to offset the currently budgeted operating expenses of the District. Future maintenance of a positive general fund balance may depend upon (1) cash subsidies from the Developer, and (2) continued development and increased amounts of maintenance and operation tax revenue. If funds from these sources are not forthcoming, the District would have to increase its maintenance and operation tax rate. The District's maintenance and operation tax rate is limited to $1.20 per $100 as approved by the District's voters on November 7, 2023.

Tax Collections Limitations and Foreclosure Remedies

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

Registered Owners' Remedies and Bankruptcy Limitations

The Bond Order does not specify events of default with respect to the Bonds. If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due or the District defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the registered owners may seek a writ of mandamus to compel the District or District officials to carry out the legally imposed duties with respect to the Bonds 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 issuance of a writ of mandamus is controlled by equitable principles, so it rests with 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 Registered Owners 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. Statutory language authorizing local governments such as the District to sue or be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. 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"). Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. 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 Registered Owners 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. The District may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes, bond anticipation notes, unlimited tax utility bonds and unlimited tax road bonds, and to borrow for any valid corporate purpose. Pursuant to elections held on November 5, 2024, the District electors authorized a total of $171,200,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities, and $104,700,000 principal amount of unlimited tax bonds for roads. The District is also authorized to issue unlimited tax refunding bonds in an amount equal to $214,000,000 for the purpose of refunding Utility Bonds and $130,875,000 for the purpose of refunding Road Bonds, including the Bonds. The authorized bond amounts from the November 5, 2024 elections replaced previously authorized bond amounts. The Board is further empowered to borrow money

for any lawful purpose and to issue bond anticipation and tax anticipation notes. After issuance the Bonds, the District will have $94,665,000 unlimited tax bonds for road facilities authorized but unissued and $171,200,000 of unlimited tax bonds for water, wastewater and storm drainage facilities authorized but unissued. The District believes that such remaining authorization of unlimited tax bonds for water, wastewater, storm drainage, and roads purposes will be sufficient to finance improvements for the remainder of the District. See "THE BONDS – Issuance of Additional Debt." In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. See "THE BONDS – Authority for Issuance." 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.

Pursuant to developer financing agreements, prior to the issuance of the Bonds, the District owes the Developer approximately $11,201,731 plus interest for engineering and construction of water, wastewater and storm drainage facilities and roads and related improvements. After the issuance of the Bonds, the remaining balance owed to the Developer by the District will be approximately $8,157,219. The District expects to issue additional bonds to reimburse the Developer and to finance water, wastewater, storm drainage facilities, and roads to serve the remaining approximately 83.608 developable acres within the District when feasible from time-to-time in order to fully develop the District.

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. Except with respect to the issuance of bonds for road purposes, the District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. The total amount of bonds and other obligations of the District issued for road purposes may not exceed one-fourth of the assessed valuation of the real property in the District. The issuance of additional bonds for the purpose of financing water, wastewater and drainage facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. See "THE BONDS – Authority for Issuance" and "– Issuance of Additional Debt."

The District also is authorized by law to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue such bonds, the following actions would be required: (1) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (2) approval of master plan and bonds by the TCEQ; and (3) approval of bonds by the Attorney General of Texas. The Board has not considered seeking authorization to engage in fire-fighting activities at this time, but may do so in the future. If additional debt obligations for fire-fighting purposes are issued in the future by the District, such issuance may adversely affect the investment security of the Bonds. See " – Fire Protection" below.

The District does not have the statutory authority to issue bonds supported by ad valorem taxes for the development of parks and recreational facilities.

Fire Protection

The District was provided fire protection primarily by the City of Princeton, with mutual aid from neighboring fire departments, pursuant to an Agreement for the Provision of Firefighting and Fire Protection Services the City entered into with Collin County in 2013. In May of 2025, the City notified Collin County of its intent to terminate the fire protection agreement and to discontinue providing service to areas outside City limits, including service to the District. Numerous other cities within Collin County were also terminating their individual fire protection service agreements with Collin County, leaving much of the unincorporated area without fire protection services. Accordingly, Collin County called an election for November 2025 to allow the voters in unincorporated Collin County to choose whether an emergency services district (the "ESD") should be created to provide fire-fighting services in unincorporated areas. The creation of the Collin County Emergency Services District No. 1 (the "ESD No. 1") was approved by voters during the November 4, 2025 election, with the Collin County Commissioners Court appointing the initial Board of Commissioners in February 2026 to oversee operations, budgeting, and emergency service coordination.

The ESD No. 1 will levy an ad valorem tax of up to ten cents ($0.10) per $100 of taxable assessed valuation across all of the ESD, which funds will be used to provide fire-fighting services to properties within the ESD, including the District. No funds of the District will be used to pay the ESD No. 1.

Environmental Regulations

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

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

- Restricting or regulating the use of wetlands or other properties; or

- Requiring remedial action to prevent or mitigate pollution.

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Dallas-Fort Worth area. Under the Clean Air Act ("CAA") Amendments of 1990, a ten-county Dallas-Fort Worth area ("2008 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties – has been designated a "severe" nonattainment area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the 2008 DFW Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

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

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the 2008 and 2015 DFW Areas setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the 2008 and 2015 DFW Areas to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the area's economic growth and development.

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

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water

in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

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

Future and Proposed Legislation

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

The Texas Legislature could enact laws that materially change current laws affecting ad valorem tax matters, elections, and other matters which could adversely affect the District and also affect the marketability or market value of the Bonds. The District can make no representation regarding any actions the Texas Legislature may take or the effect of any such actions. While the enactment of future legislation in Texas could adversely affect the financial condition or operations of the District, the District does not anticipate that the security for payment of the Bonds, specifically the District's obligation to levy an unlimited annual ad valorem tax, would be adversely affected by any such legislation. See "TAXING PROCEDURES – Property Tax Code and County-Wide Appraisal District".

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.

Marketability of the Bonds

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

Extreme Weather Events

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

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. See "– Fire Protection" herein.

Continuing Compliance with Certain Covenants

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

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. Cybersecurity insurance to protect against such breaches may be limited. The District does not have a specific cybersecurity policy at this time.

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. The Bond Order will authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated and accrue interest from November 1, 2026, with interest payable on September 1, 2027, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until maturity or prior redemption. Interest will be payable on the basis of a 360-day year of twelve 30-day months. The Bonds mature on September 1 in each of the years and in the amounts, and pay interest at the rates, shown on the cover page hereof. The Bonds will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein. See "BOOK-ENTRY-ONLY SYSTEM."

Authority for Issuance

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

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.

Source and Security for Payment

The Bonds and any additional unlimited tax road bonds issued in the future will be payable from and secured by a pledge of the proceeds of an annual road ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. The District may also levy a separate annual utility ad valorem tax, without legal limitation as to rate or amount, upon all taxable property located within the District for the payment of unlimited tax utility bonds. Taxes collected and deposited to the road bond debt service fund cannot be used to pay debt service on unlimited tax utility bonds. Likewise, taxes collected and deposited to the utility bond debt service fund cannot be used to pay debt service on the Bonds or any future road bonds. See "TAXING PROCEDURES." The Bonds involve certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See

"RISK FACTORS." The Bonds are obligations of the District and are not obligations of the City of Princeton, Texas; Collin County, Texas; the State of Texas or any entity other than the District.

Outstanding Bonds

The District has $6,485,000 in unlimited tax road bonds outstanding (the "Outstanding Bonds"). The Bonds are the District's third series of unlimited tax road bonds. The District has not issued unlimited tax utility bonds.

Payment Record

The District has never defaulted in the timely payment of any of its Outstanding Bonds.

Funds

The Bond Order creates a Series 2026 Road Capital Projects Fund (the "Construction Fund") and a Series 2026 Road Debt Service Fund (the "Road Bond Debt Service Fund"). Accrued interest on the Bonds and 12 months of capitalized interest calculated at the net effective interest rate will be deposited from the proceeds from the sale of the Bonds into the Road Bond Debt Service Fund. All remaining proceeds of the Bonds will be deposited in the Construction Fund or used to pay costs of issuance. The Road Bond Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds. Amounts on deposit in the Road Bond Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar (as herein defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds. The District currently does not have a separate utility bond debt service fund for the payment of debt service on unlimited tax utility bonds.

Redemption Provisions

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2035, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2034, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District, provided that if fewer than all the Bonds within a particular maturity are redeemed at any time, the particular Bonds within each such maturity to be redeemed shall be selected by the Paying Agent/Registrar from the Bonds which have not previously been called for redemption, by lot or other customary method of random selection. However, if during any period in which ownership of the Bonds is determined only by a book entry at a securities depository, if fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected in accordance with arrangements between the District and the securities depository. See "BOOK-ENTRY-ONLY SYSTEM."

Mandatory Redemption: The Bonds maturing on September 1, in the years 2039, 2042, 2045, 2047, and 2056 (the "Term Bonds") are subject to mandatory sinking fund redemption on the dates and in the principal amounts shown below at the price of par plus accrued interest to the date of redemption:

Term Bonds Due September 1, 2039

Redemption Date		Principal Amounts
September 1, 2037		$80,000
September 1, 2038		$85,000
September 1, 2039	(maturity)	$90,000

Term Bonds Due September 1, 2042

Redemption Date		Principal Amounts
September 1, 2040		$95,000
September 1, 2041		$95,000
September 1, 2042	(maturity)	$105,000

Term Bonds Due September 1, 2045

Redemption Date		Principal Amounts
September 1, 2043		$110,000
September 1, 2044		$110,000
September 1, 2045	(maturity)	$120,000

Term Bonds Due September 1, 2047

Redemption Date		Principal Amounts
September 1, 2046		$125,000
September 1, 2047	(maturity)	$130,000

Term Bonds Due September 1, 2056

Redemption Date		Principal Amounts
September 1, 2048		$135,000
September 1, 2049		$140,000
September 1, 2050		$150,000
September 1, 2051		$160,000
September 1, 2052		$165,000
September 1, 2053		$170,000
September 1, 2054		$175,000
September 1, 2055		$185,000
September 1, 2056	(maturity)	$635,000

The Paying Agent/Registrar shall select by lot the Term Bonds within the applicable stated maturity to be redeemed. Any Term Bond not selected for prior redemption shall be paid on the date of their stated maturity.

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds of the same maturity which, at least 30 days prior to a mandatory redemption date (1) shall have been acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the District with money in the Road Debt Service Fund at a price no exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the register. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bond or portions thereof so redeemed shall no longer be regarded as outstanding except for purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Method of Payment of Principal and Interest

The Board has appointed UMB Bank, N.A., having a designated payment office in Dallas, Texas, as the initial paying agent/registrar for the Bonds (the "Paying Agent/Registrar,"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a thirty (30) day month and a three hundred sixty (360) day year. The record date for payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding such payment date.

Registration and Transfer

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Registered Owners' income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM." So long as any Bonds remain outstanding, the District will maintain at least one Paying Agent/Registrar in the State of Texas for the purpose of maintaining the bond register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be either a duly qualified and competent bank or trust company organized under the laws of the State of Texas.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) authorizes bonds of the District (including the Bonds) to be eligible as collateral for public funds.

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

Issuance of Additional Debt

The District expects to issue additional bonds to finance road and water, wastewater and storm drainage facilities as soon as feasible and from time-to-time in order to fully reimburse the Developer for advances made by the Developer to construct roads and water, wastewater, and storm drainage facilities. The District's voters have authorized the issuance of a total of $171,200,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater and storm drainage facilities, and $104,700,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing roads and could authorize additional amounts. The District is also authorized to issue unlimited tax refunding bonds in an amount equal to $214,000,000 for the purpose of refunding Utility Bonds and $130,875,000 for the purpose of refunding Road Bonds, including the Bonds. The Board is further empowered to borrow money for any lawful purpose and to issue bond anticipation and tax anticipation notes. After issuance of the Bonds, the District will have $94,665,000 unlimited tax bonds authorized but unissued for road facilities and $171,200,000 of unlimited tax bonds authorized but unissued for water, wastewater and storm drainage purposes. See "RISK FACTORS – Future Debt."

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. The District does not employ any formula with respect to the issuance of additional bonds, but currently must comply with formulas promulgated by the Attorney General of the State of Texas (the "Attorney General") with regard to bonds issued for road purposes, and the Texas Commission on Environmental Quality ("TCEQ"), with regard to bonds issued for water, sanitary sewer and drainage purposes, pertaining to assessed valuation and tax rates of the District that may limit the amount of bonds which may be issued in the future. The total amount of bonds and other obligations of the District issued for road purposes, together with the District's proportionate amount of overlapping road debt, may not exceed one-fourth of the assessed valuation of the real property in the District. All bonds issued by the District must be approved by the Attorney General of the State of Texas. With certain limited exceptions, any bonds issued to acquire or construct water, sanitary sewer, and drainage facilities must additionally be approved by the TCEQ.

The District also is authorized by law to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue such bonds, the following actions would be required: (1) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (2) approval of master plan and bonds by the TCEQ; and (3) approval of bonds by the Attorney General of Texas. The Board has not considered seeking authorization to engage in fire-fighting activities at this time but may do so in the future. If additional debt obligations for fire-fighting purposes are issued in the future by the District, such issuance may adversely affect the investment security of the Bonds. See "RISK FACTORS – Fire Protection."

The District does not have the statutory authority to issue bonds supported by ad valorem taxes for the development of parks and recreational facilities.

Remedies in Event of Default

Texas law and the Bond Order provide that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Order, any registered owner ("Registered Owner(s)") shall be entitled at any time to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation or condition prescribed by the Bond Order. Such right is in addition to other rights the Registered Owners may be provided by the laws of the State of Texas.

If the District defaults in the payment of principal, interest, or the 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 observance or performance of any other covenants, obligations or conditions prescribed in the Bond Order, a Registered Owner could petition for a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Order. Such remedy might need to be enforced on a periodic basis. Except for a 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. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. Further, certain traditional legal remedies also may not be available. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy Limitations."

Defeasance

The Bond Order provides for the defeasance of the Bonds when the payment of the principal of the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, maturing as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent/Registrar for the Bonds. The Bond Order provides that "Defeasance Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The District has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid and thereafter the District will have no further responsibility with respect to amounts available to paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds. Provided, however, the District has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Annexation

The District is not located within the extraterritorial jurisdiction of any city, including the City of Princeton. Under Texas law, a municipality may annex and dissolve a municipal utility district located within its extraterritorial jurisdiction without consent of the district subject to compliance by the municipality with various requirements of Chapter 43 of the Texas Local Government Code ("Chapter 43"). Under Chapter 43, (a) a municipality may annex a district with a population of less than 200 residents only if: (i) the municipality obtains consent to annex the district through a petition signed by more than 50% of the registered voters of the district, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation; and (b) a municipality may annex a district with a population of 200 residents or more only if: (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. Notwithstanding the foregoing, a municipality may annex an area if each owner of land in the area requests the annexation. The District has a population of approximately 1,792, thus triggering the process discussed in clause (b) above. The above-described election and petition process does not apply, however, during the term of a strategic partnership agreement between a municipality and a district specifying the procedures for annexation of all or a portion of the district. The City of Princeton and the District are neither parties to a strategic partnership agreement nor a development agreement. However, pursuant to the requirements of the Developer's Non-Standard Wastewater Service Agreements with the City, the Developer has requested that the District enter into a Strategic Partnership Agreement with the City. The District has provided a draft of such an agreement to the City, but no agreement has been executed. There is no requirement in the Non-Standard Wastewater Service Agreements that forces either the City or the District to enter into the strategic partnership agreement.

If the District is annexed, the City must assume the assets, functions, and obligations of the District (including the Bonds) and the pledge of taxes will terminate. No representation is made concerning the likelihood of annexation and dissolution or the ability of the City to make debt service payments on the Bonds should dissolution occur. Additionally, the power of the City to annex the District may be restricted by a potential future strategic partnership agreement or a development agreement.

Consolidation

The District has the legal authority, upon a favorable election in each district, to consolidate with one or more other districts and, thereafter, to become one district and be governed as one district. However, debts created prior to consolidation, such as the Bonds, remain debts of the original districts, payable from taxes levied on land in the original districts as if they had not consolidated or from contributions from the consolidated district on terms stated in the consolidation agreement. No representation is made concerning whether the District will consolidate with any other district, and the District currently has no plans to do so.

BOND INSURANCE

The payment of all associated costs, including the premium charged by the insurer and any fees charged by any rating company will be at the option and expense of the Initial Purchaser. The purchasers of the Bonds should be aware of the following.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") 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 an exhibit 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: www.bambonds.com.

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

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects 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 "BOND INSURANCE".

Additional Information Available from BAM

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

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

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

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

BOND INSURANCE RISK

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bond shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

Under no circumstances does default of payment of principal and interest obligate acceleration of the obligations of the bond insurer without their consent, so long as the bond insurer performs its obligations under the applicable Policy. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the revenues pledged in the Bond Order. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

In the event bond insurance is purchased, the long-term rating on the Bonds will be dependent in part on the financial strength of the bond insurer and its claims paying ability. The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the bond insurer and of the Bonds insured by the bond insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "SALE AND DISTRIBUTION OF THE BONDS – Municipal Bond Rating" herein for a description of the ratings.

The obligations of the bond insurer are general obligations of the bond insurer and in an event of default by the bond insurer the remedies may be limited by applicable bankruptcy law. Neither the District nor the Municipal Advisor have made an independent investigation into the claims paying ability of any potential bond insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential bond insurer is given.

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 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 Municipal Advisor (defined herein) believe the source of such information to be reliable, but neither of the District nor the Municipal Advisor take 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 Direct Participants (defined herein), (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 Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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.

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.

ESTIMATED USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to pay the construction costs associated with the items shown below. Additionally, a portion of the proceeds from the sale of the Bonds will be used to pay certain non-construction costs associated with the issuance of the Bonds, capitalized interest, and accrued interest due to the Developer. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the Municipal Advisor (each hereinafter defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. Any surplus funds may be expended for any lawful purpose for which surplus construction funds may be used. No TCEQ approval is required for road bonds, such as the Bonds.

I. CONSTRUCTION COSTS		
Developer Contribution Items	**Total Cost**	**District's Share**
1. Arbor South	$ 1,564,451	$ 1,564,451
2. South Grading	172,747	172,747
3. Misc. Road Expenses	7,963	7,963
4. Engineering and Testing	391,875	391,875
5. Land Costs for Arbor South ROW	655,693	655,693
Total Construction Costs	**$ 2,792,729**	**$ 2,792,729**
II. NON-CONSTRUCTION COSTS		
1. Professional Fees		$ 199,750
2. Developer Interest		204,512
3. Capitalized Interest		177,546
4. Bond Discount		71,000
5. Bond Issuance Expenses		53,643
6. Attorney General Fee		3,550
7. Surplus Funds		47,271
Total Non-Construction Costs		**$ 757,271**
TOTAL BOND ISSUE REQUIREMENT		**$ 3,550,000**

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

THE DISTRICT

General

In an order dated July 13, 2023, the Texas Commission on Environmental Quality (the "TCEQ"), pursuant to the petition of Arbor Trails Land, LLC, granted the creation of Collin County Municipal Utility District No. 10 (the "District") pursuant to Article XVI, Section 59 of the Texas Constitution and Texas Water Code, Chapters 49 and 54. The District has, and is subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the TCEQ and the general laws of the State of Texas relating to municipal utility districts, including road powers under Texas Water Code § 54.234, subject to the requirements of the TCEQ and the general laws of the State of Texas relating to the exercise of such powers. At the time of creation, the District contained 72.0209 acres. The District was confirmed at an election held on November 7, 2023. On November 13, 2023, the District added an additional 29.15 acres of land upon petition from Arbor Trails Land, LLC bringing the total District acreage to 101.1709 acres. On October 21, 2024, the District added an additional 43.644 acres of land upon petition from Arbor Trails Land, LLC bringing the total District acreage to 144.8149 acres. On February 10, 2025, the District added an additional 40.722 acres of land upon petition from S2 Land Development, LLC, bringing the total District acreage to 185.5369 acres. On February 2, 2026, the District added an additional 42.94 acres of land, bringing the total District acreage to the current 228.4769 acres.

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; the control and diversion of storm water and, the construction, operation and maintenance of macadamized, graveled or paved roads and improvements, including storm drainage, in aid of those roads. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is not empowered to fund parks and recreational facilities with bonds funded by taxes, independently or with one or more conservation and reclamation districts. The District also is authorized by law to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue such bonds, the following actions would be required: (1) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (2) approval of master plan and bonds by the TCEQ; and (3) approval of bonds by the Attorney General of Texas. The Board has not considered seeking authorization to engage in fire-fighting activities at this time, but may do so in the future. If additional debt obligations for fire-fighting purposes are issued in the future by the District, such issuance may adversely affect the investment security of the Bonds.

The TCEQ exercises continuing supervisory jurisdiction over the District. Construction and operation of the District's utility system is subject to the regulatory jurisdiction of additional governmental agencies. See "THE WATER, WASTEWATER AND DRAINAGE SYSTEM – Regulation."

Location

The District is located in unincorporated Collin County adjacent to County Road 437 approximately 1.5 miles south of Farm to Market Road 546. The District is approximately 8.2 miles south of the City of Princeton, Texas (the "City") in the "peninsula" surrounded by Lavon Lake. See "RISK FACTORS – Overlapping Debt and Taxes" and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) – Estimated Overlapping Debt and Taxes."

Land Use

The following table has been provided by the Developer and the Engineer, and represents the current approved land use within the District as of August 31, 2026.

Phase	Acreage	Planned Single Family Lots	Lots Under Construction	Finished Lots	Vacant Lots		Homes Under Construction	Completed Homes
Arbor Trails Phase 1	38.420	261	0	261	19		0	242
Arbor Trails Phase 2	31.601	217	0	217	147		20	50
Arbor Trails South	29.151	268	0	268	2		2	264
Arbor Lakes 1A	24.555	135	0	135	135		0	0
Arbor Lakes 2A	21.142	123	123	0	0		0	0
Subtotal:	144.869	1,004	123	881	303		22	556
Future Development:								
Future Phases	83.608	752	0	0	0		0	0
TOTALS	228.477	1,756	123	881	303	(1)	22	556
Less:								
Open Space, District Facilities, Amenity Center(s) and Other Undevelopable Acreage	(53.610)							
Net Developable Acreage	174.867							

(1) See "RISK FACTORS - Undeveloped Acreage and Vacant Developed Lots."

Status of Development

Single-Family Residential: A portion of the District has been developed as Arbor Trails by the Developer. As of August 31, 2026, completed development consisted of approximately 123.727 acres of Arbor Trails Phase 1 (261 single-family residential lots), Arbor Trails Phase 2 (217 single-family residential lots), Arbor Trails South (268 single-family residential lots), and Arbor Lakes 1A (135 single-family residential lots). An additional approximately 21.142 acres, known as Arbor Lakes 2A, are currently under development (123 single-family residential lots). The District currently has a total of 123.727 developed acres and 21.142 acres under development. According to D.R. Horton, new homes floor plans range from 1,101 sq. ft. to 2,054 sq. ft., and new home prices range from $214,990 to $276,990.

Recreation: At this time, Arbor Trails Phase 1 pocket park with playground and shaded structure is complete. Arbor South pocket park with playground and shaded structure is also complete.

Future Development

Approximately 83.608 developable acres of land currently within the District are not yet fully served with water distribution and supply, wastewater collection and treatment, storm drainage facilities and paving. While the Developer anticipates future development of this acreage as business conditions warrant, there can be no assurances if and when any of such undeveloped land will ultimately be developed. The District anticipates issuing additional bonds to fully reimburse the Developer for water, wastewater, storm drainage facilities and roads constructed to date, and to accomplish full development of the District. The District's consulting engineer ("the Engineer") has stated that under current development plans, the remaining authorized but unissued bonds should be sufficient to finance the construction of water, wastewater, storm drainage facilities, and roads to complete the District's water and wastewater and roads systems for full development of the District. See "THE ROAD SYSTEM," "THE WATER, WASTEWATER AND DRAINAGE SYSTEM" and "RISK FACTORS – Future Debt."

THE DEVELOPER

Role of a Developer

In general, the activities of a landowner or developer in a 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. A developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective purchasers of the Bonds should note that the prior real estate experience of the Developer should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate. Prospective purchasers are urged to inspect the District in order to acquaint themselves with the nature of the business activities of the Developer. See "RISK FACTORS—Landowners/Developer/Homebuilders Under No Obligation to the District."

The Developer

Arbor Trails Land, LLC, a Texas limited liability company, is currently the only developer of land within the District (the "Developer"), and is managed by S2 Land Development LLC ("S2 Land"). Pursuant to certain development management services agreement between the Developer and S2 Land, S2 Land has agreed to furnish administration, development, and management services in connection with the entitlement and development of the District. S2 Land has developed over 2,000 single-family residential lots in the Dallas-Fort Worth Metroplex/North Texas area and is currently in the process of developing an additional 940 single-family residential lots not including development of single-family residential lots within the District. S2 Land is owned by Ms. Tamara Spicer and managed by Mr. John Sparrow. Ms. Spicer is heavily involved in strategic business planning, acquisitions, entitlement negotiations, construction, and lot sales. Mr. Sparrow oversees day-to-day operations of S2 land, including but not limited to strategic business planning, acquisitions, entitlement negotiations, construction, and lot sales. Mr. Sparrow was formerly VP of Land and Division President at D.R. Horton – Austin/San Antonio where he was responsible for municipal utility districts in Central Texas.

The Developer was created for the sole purpose of developing land within the District, it is thinly capitalized, and its primary assets consist of its land in the District. There are currently no debt liens on the land and/or property owned by the Developer, and no loans outstanding. The acquisition of the land and the development of the land within the District has been financed on a cash basis with funds provided by S2 Land. The Developer does not currently anticipate incurring any liens on its lands or property within the District for as long as the Developer owns such property.

The Developer is not responsible for, liable for, and have not made any commitment for payment of the Bonds or other obligations of the District, description of their financing arrangements or financial condition described herein should not be construed as an implication to that effect. The Developer has no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of their properties within the District, or any other assets, at any time. Further, the Developer's financial condition is subject to change at any time.

The Homebuilders

Homebuilding in Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South sections of the District is currently being conducted by D.R. Horton ("D.R. Horton"). All 746 lots within Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South have been purchase by D.R. Horton. As of August 31, 2026, D.R. Horton had completed 556 homes (including 8 models) and had 22 homes under construction in Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South. D.R. Horton currently owns 168 finished but vacant lots within Arbor Trails Phase 1, Arbor Trails Phase 2, and Arbor Trails South.

Imagination Homes, LLC ("Imagination Homes", and together with D.R. Horton, the "Homebuilders") is currently under contract for all 135 finished but vacant lots within Arbor Lakes 1A and for all 123 lots within Arbor Lakes 2A that are currently under development.

D.R. Horton is marketing its D.R. Horton Express Series within the District. According to D.R. Horton, new homes floor plans range from 1,101 sq. ft. to 2,054 sq. ft., and new home prices range from $214,990 to $276,990.

The contracts for sale of lots between the Developer and Homebuilders require that earnest money be deposited with a title company, typically 10% of the total price of completed lots, and establish certain required purchases on a fixed schedule. The Developer' sole remedies for Homebuilders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of earnest money. The Homebuilders are current with lot takedown requirements.

Principal Taxpayers

The Developer is the principal landowner in the District and owns approximately 83.608 acres of undeveloped land in the District. As of tax Year 2026, the Developer owns 14.20% of the taxable property within the District. The Homebuilders and their affiliates own 10.97% of the taxable property within the District.

Arbor Trails Land, LLC was created in 2022 as a Texas limited liability company for the sole purpose of purchasing, acquiring, renting, leasing, managing, holding for investment, selling, exchanging or otherwise disposing of real estate property in the District. The Developer is thinly capitalized, and its primary assets consist of its land in the District. There are currently no debt liens on the land and/or property owned by the Developer, and no loans outstanding. The acquisition of the land and the development of the land within the District has been financed on a cash basis with funds provided by S2 Land, its development manager. The Developer does not currently anticipate incurring any liens on its lands or property within the District for as long as the Developer owns such property.

D.R. Horton, Inc. is a publicly traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for D.R. Horton, Inc. can be found online at https://investor.drhorton.com. D.R. Horton, Inc. is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by D.R. Horton, Inc. can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to staggered four-year terms and elections are held in May in even numbered years only. All of the Board members own land within the District. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	Position	Term Expiration
Brent Wall	President	May 2028
Ashley Eckeberger	Vice President	May 2028
Blake Gustafson	Secretary	May 2030
Michael Hanschen	Assistant Secretary	May 2030
Matthew Ledlie	Assistant Secretary	May 2030

District Consultants

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

Bond & General Counsel: Winstead PC, Dallas, Texas serves as Bond Counsel and General Counsel to the District. The fees of Bond Counsel are contingent upon the sale and delivery of the Bonds.

Disclosure Counsel: McCall Parkhurst & Horton L.L.P., Dallas, Texas, has been engaged by the District to serve as "Disclosure Counsel" for the District. 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.

Municipal Advisor: Hilltop Securities Inc., Dallas, Texas, serves as the District's Municipal Advisor. The fee for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds.

Tax Assessor/Collector: The Collin Central Appraisal District (the "Appraisal District") has the responsibility of appraising all property within the District. See "TAXING PROCEDURES." The District has contracted with Collin County Tax-Assessor-Collector, to perform the tax collection function.

Engineer: The District's consulting engineer is Kimley-Horn and Associates, Inc., Celina, Texas.

Bookkeeper: The District has contracted with Tovery Accounting Consultants, LLC, Plano, Texas for bookkeeping services.

Auditor: The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, to prepare the District's audited financial statements for the year ended February 28, 2026.

Utility System Operator: The operator of the District's water system is the Culleoka Water Supply Corporation and the operator of the wastewater system is the City of Princeton, Texas.

THE WATER, WASTEWATER AND DRAINAGE SYSTEM

Regulation

Construction and operation of the District's water, wastewater and storm drainage system (the "Utility System") as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency.

Water Supply

Pursuant to certain Non-Standard Water Service Agreements (the "Water Agreements") between the Developer and Culleoka Water Supply Corporation ("Culleoka WSC"), Culleoka WSC has agreed to provide water supply to Arbor Trails Phases 1 and 2, Arbor Trails South as well as Arbor Lakes. All of the lands within the District fall within Culleoka WSC's Certificate of Convenience and Necessity (CCN No. 10159) for the provision of water service and pursuant to that CCN, Culleoka WSC is required to provide continuous, adequate service to the District in accordance with Texas law. The existing Water Agreements require the Developer to finance and construct, at the Developer's sole cost, the necessary water facilities for the transmission, storage and supply of water inside and outside the District's boundaries for the purpose of providing water service to residents within Arbor Trails Phases 1 and 2, Arbor Trails South as well as Arbor Lakes. The water facilities must be constructed in accordance with the construction plans and specifications in compliance with the TCEQ and Culleoka WSC's applicable rules and regulations. Upon completion, the water facilities are transferred (dedicated) from the Developer to the Culleoka WSC. Culleoka WSC is responsible for the maintenance and operations of the water supply and storage facilities necessary to service Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Lakes. As of August 31, 2026, all the necessary water supply and storage facilities have been constructed to serve Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A.

Wastewater Treatment

Pursuant to certain Non-Standard Wastewater Service Agreements (the "Wastewater Agreements") between the Developer and the City of Princeton, Texas (the "City"), the City has agreed to provide wastewater treatment to Arbor Trails Phases 1 and 2, Arbor Trails South as well as Arbor Lakes. All of the lands within the District fall within the City's Certificate of Convenience and Necessity (CCN No. 21057) for the provision of wastewater service and pursuant to that CCN, the City is required to provide continuous, adequate service to the District in accordance with Texas law. The existing Wastewater Agreements require the Developer to finance and construct or expand, at the Developer's sole cost, the necessary wastewater facilities inside and outside the District's boundaries for the purpose of providing wastewater treatment service to residents within Arbor Trails Phases 1 and 2, Arbor Trails South as well as Arbor Lakes. The wastewater treatment facilities must be constructed in accordance with the construction plans and specifications in compliance with the TCEQ and the City's applicable rules and regulations. Upon completion, the wastewater treatment facilities are transferred (dedicated) from the Developer to the City. The City is responsible for the maintenance and operations of the wastewater treatment facilities necessary to service Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Lakes. As of August 31, 2026, all the necessary wastewater treatment facilities have been constructed to serve Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Pursuant to the Water Agreements, Culleoka WSC has agreed to operate the water transmission facilities and provide retail service to lands within Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Trails. The Developer, at its sole cost, must finance and construct the necessary facilities for the transmission or water and provision of retail service by Culleoka WSC to Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Trails. Upon completion of the necessary water transmission facilities and all necessary facilities to provide retail service to the residents of the District, the Developer must dedicate such facilities to Culleoka WSC and Culleoka WSC must provide continuous and adequate retail water service to its customers within the District. As of August 31, 2026, all the necessary water distribution facilities have been constructed to serve Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A.

Pursuant to the Wastewater Agreements, the City has agreed to operate the wastewater collection facilities and provide retail service to lands within Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Lakes. The Developer, at its sole cost, must finance and construct the necessary wastewater collection facilities and any other wastewater facilities necessary for the provision of retail service by the City to Arbor Trails Phases 1 and 2, Arbor Trails South and Arbor Lakes. Upon completion of the necessary wastewater collection facilities and all necessary facilities to provide retail service to the residents of the District, the Developer must dedicate such facilities to the City, and the City WSC must provide continuous and adequate retail wastewater service to its customers within the District. As of August 31, 2026, all the necessary wastewater collection facilities have been constructed to serve Arbor Trails Phase 1, Arbor Trails Phase 2, Arbor Trails South, and Arbor Lakes 1A.

Storm water runoff within the District drains into a system of collector lines via curb and gutters. Such collector lines convey flow within a pipe system to interior drainage channels and ponds which flow into existing drainage channels. According to the Engineer, all storm drainage improvements are being designed in accordance with design criteria established by Collin County, Texas and the TCEQ. The District maintains and operates the District's storm drainage system.

Flood Protection

According to the District's engineer, none of the developable land is within the 100-year floodplain. The District contains certain areas within the 100-year floodplain and those areas are designated as drainage ways and easements. No lots are proposed within the 100-year floodplain.

THE ROAD SYSTEM

Construction of the District's roads is subject to certain regulation by Collin County. All roads within the District are to be operated and maintained by the District, unless Collin County agrees to maintain such roads by formal action of the Collin County Commissioners Court. To date, no such action has occurred, and the Road System is currently operated and maintained by the District.

Roads within the District are constructed with reinforced concrete pavement with curbs on moisture conditioned and lime stabilized subgrade. Linden Road is currently the primary roadway entering the project off of County Road 437. Cloverwood Drive is a secondary roadway connection to County Road 437. The local interior streets within the project and are typically 50 feet right-of-way with feet wide (between curbs). The Road System also includes streetlights, landscape and hardscape. Franchise utilities (power, phone, gas and cable) are typically located adjacent to the roadway. Public utilities such as water, wastewater and storm drainage are typically located within street rights of way.

DISTRICT OPERATING STATEMENT

Principal of and interest on the Bonds are payable solely from the proceeds of an unlimited tax levied against all taxable property within the District's boundaries.

The District intends to convey all of its right, title and interest to and maintenance, operation and repair obligations for the water and sewer systems to Culleoka WSC and the City, respectively, pursuant to the Water Agreements and the Wastewater Agreement, respectively. The District therefore will not receive revenue from providing water and wastewater service. However, the District anticipates collection of sufficient maintenance and operating taxes in Tax Year 2026 to operate on a positive cash flow basis without water and sewer revenues from customers, even though the amount of its net revenues may be less without net utility system revenues. The District cannot predict whether the District's net revenues subsequent to such conveyance will be sufficient to fund its future obligations and expenses or whether an increase in its maintenance and operating tax may be required in the future. See APPENDIX A and APPENDIX B.

The District filed its Annual Financial Report with the TCEQ for its fiscal year ended February 28, 2026. See Appendix A. The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC to prepare the audited financial statements of the District for the fiscal year ending February 28, 2026.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

Assessed Value, Debt Ratios and Fund Balances

2026 Certified Net Taxable Assessed Valuation	$	119,841,711 (1)
Estimated Taxable Assessed Valuation as of August 31, 2026	$	148,319,477 (2)
Gross Direct Debt Outstanding upon Issuance of the Bonds	$	10,035,000
Ratio of Gross Direct Debt to 2026 Certified Taxable Assessed Valuation		8.37%
Ratio of Gross Direct Debt to Estimated Taxable Assessed Valuation as of August 31, 2026		6.77%
Estimated Road Bond Debt Service Fund Balance (at Delivery Date of the Bonds)	$	412,033 (3)
General Fund Balance as of September 14, 2026	$	47,152 (4)

(1) As provided by the Collin Central Appraisal District.

(2) As provided by the Collin Central Appraisal District as of August 31, 2026. For illustration purposes only. No taxes will be levied on this amount.

(3) Any funds in the Road Bond Debt Service Fund are pledged only to pay the debt service on the Outstanding Bonds, the Bonds and any additional road bonds. Neither Texas law nor the Bond Order requires the District to maintain any minimum balance in the Road Bond Debt Service Fund. Upon delivery of the Bonds, the District will deposit 12 months of capitalized interest, calculated at the net effective interest rate, plus accrued interest from the Dated Date to the Delivery Date in the Road Bond Debt Service Fund.

(4) See "RISK FACTORS - Operating Funds."

Investments of the District

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

Anticipated Issuance of Additional Debt

The District may issue any additional unlimited tax debt with in the next 12 months if the taxable assessed valuation increases to allow for the issuance of additional unlimited tax debt.

On November 5, 2024, the District's voters authorized the issuance of a total of $171,200,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater and storm drainage facilities, and $104,700,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing roads and could authorize additional amounts. The District is also authorized to issue unlimited tax refunding bonds in an amount equal to $214,000,000 for the purpose of refunding Utility Bonds and $130,875,000 for the purpose of refunding Road Bonds, including the Bonds. The authorized bond amounts from the November 5, 2024 elections replaced previously authorized bond amounts. The Board is further empowered to borrow money for any lawful purpose and to issue bond anticipation and tax anticipation notes. After issuance of the Bonds, the District will have $94,665,000 unlimited tax bonds authorized but unissued for road facilities and $171,200,000 of unlimited tax bonds authorized but unissued for water, wastewater and storm drainage purposes. See "RISK FACTORS – Future Debt."

The Bond order will impose 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. The District does not employ any formula with respect to the issuance of additional bonds, but currently must comply with formulas promulgated by the Attorney General of the State of Texas (the "Attorney General") with regard to bonds issued for road purposes, and the Texas Commission on Environmental Quality ("TCEQ"), with regard to bonds issued for water, sanitary sewer and drainage purposes, pertaining to assessed valuation and tax rates of the District that may limit the amount of bonds which may be issued in the future. The total amount of bonds and other obligations of the District issued for road purposes, together with the District's proportionate amount of overlapping road debt, may not exceed one-fourth of the assessed valuation of the real property in the District. All bonds

issued by the District must be approved by the Attorney General of the State of Texas. With certain limited exceptions, any bonds issued to acquire or construct water, sanitary sewer, and drainage facilities must additionally be approved by the TCEQ.

Outstanding Unlimited Tax Road Bonds

The District has $6,485,000 unlimited tax road bonds outstanding (the "Outstanding Bonds"). The Bonds are the District's third series of unlimited tax road bonds.

Outstanding Unlimited Tax Utility Bonds

The District has never issued unlimited tax utility bonds.

Unlimited Tax Bonds Voted Authorization

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Utility Bonds	11/5/2024	$ 171,200,000	$ -	$ -	$ 171,200,000
Refunding Utility Bonds	11/5/2024	214,000,000	-	-	214,000,000
Road Bonds	11/5/2024	104,700,000	6,485,000	3,550,000 (1)	94,665,000
Refunding Road Bonds	11/5/2024	130,875,000	-	-	130,875,000
Total		$ 620,775,000	$ 6,485,000	$ 3,550,000	$ 610,740,000

(1) The Bonds.

(Continues on following page)

Debt Service Requirements

The following sets forth debt service requirements on the Outstanding Bonds and the debt service on the Bonds.

Calendar Year Ending 31-Dec	Outstanding Debt Service			The Bonds[(1)]			Total Unlimited Tax Debt Service	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S		
2026	$ -	$ 327,369	$ 327,369	$ -	$ -	$ -	$ 327,369	
2027	95,000	327,369	422,369	-	410,173	410,173	832,542	
2028	100,000	320,844	420,844	40,000	492,208	532,208	953,051	
2029	105,000	313,919	418,919	45,000	452,608	497,608	916,526	
2030	115,000	306,525	421,525	45,000	408,058	453,058	874,583	5.43%
2031	120,000	298,438	418,438	50,000	363,508	413,508	831,945	
2032	130,000	289,981	419,981	50,000	314,008	364,008	783,989	
2033	135,000	280,831	415,831	60,000	264,508	324,508	740,339	
2034	145,000	271,313	416,313	60,000	205,108	265,108	681,420	
2035	150,000	262,200	412,200	70,000	145,708	215,708	627,908	15.10%
2036	160,000	252,719	412,719	70,000	79,208	149,208	561,926	
2037	165,000	243,519	408,519	80,000	72,208	152,208	560,726	
2038	175,000	234,094	409,094	85,000	66,608	151,608	560,701	
2039	185,000	225,694	410,694	90,000	60,658	150,658	561,351	
2040	195,000	216,794	411,794	95,000	54,358	149,358	561,151	28.05%
2041	205,000	207,419	412,419	95,000	48,658	143,658	556,076	
2042	215,000	197,569	412,569	105,000	42,958	147,958	560,526	
2043	225,000	187,244	412,244	110,000	36,658	146,658	558,901	
2044	240,000	176,444	416,444	110,000	30,058	140,058	556,501	
2045	250,000	165,463	415,463	120,000	23,458	143,458	558,920	44.74%
2046	265,000	154,025	419,025	125,000	16,258	141,258	560,283	
2047	280,000	141,700	421,700	130,000	8,758	138,758	560,458	
2048	295,000	128,675	423,675	135,000	958	135,958	559,633	
2049	310,000	114,963	424,963	140,000	890	140,890	565,853	
2050	325,000	100,550	425,550	150,000	820	150,820	576,370	66.22%
2051	340,000	85,438	425,438	160,000	745	160,745	586,183	
2052	360,000	69,638	429,638	165,000	665	165,665	595,303	
2053	380,000	52,900	432,900	170,000	583	170,583	603,483	
2054	400,000	36,081	436,081	175,000	498	175,498	611,579	
2055	420,000	18,375	438,375	185,000	410	185,410	623,785	93.67%
2056	-	-	-	635,000	318	635,318	635,318	100.00%
	$ 6,485,000	$ 6,008,088	$ 12,493,088	$ 3,550,000	$ 3,601,608	$ 7,151,608	$ 19,644,696	

(1) Interest rate calculated at a net effective interest rate of 5.001282%.

Maximum Annual Debt Service Requirement (2028) $953,051
Average Annual Debt Service Requirements (2027-2056) $643,911

Estimated Overlapping Debt and Taxes

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

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

Set forth below is an approximate calculation of overlapping debt and the tax rates imposed for the 2026 tax year by all taxing jurisdictions overlapping the District. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

Taxing Jurisdiction	2026 Taxable Assessed Value[1]	2026 Total Tax Rate	Total Debt as of 10/1/2026	Estimated % Applicable	District's Overlapping Debt as of 10/1/2026
The District	$ 119,841,711	$1.0000	$ 10,035,000 [2]	100.000%	$ 10,035,000
Collin County	283,061,905,979	0.1514	1,133,210,000	0.042%	479,774
Collin County Community College District	257,200,347,078	0.0812	415,555,000	0.047%	193,627
Princeton Independent School District	5,788,558,249	1.2011	721,269,480	2.070%	14,932,590
Total Direct and Overlapping Tax Debt		$2.4337	$ 2,280,069,480		$ 25,640,991

Ratio of Direct and Overlapping Tax Debt to 2026 Certified Taxable Assessed Valuation	21.40%
Ratio of Direct and Overlapping Tax Debt to Estimated Taxable Assessed Valuation as of August 31, 2026	17.29%

(1) As reported by the Appraisal District on July 21, 2026.
(2) Includes the Bonds.

TAX DATA

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 and any future road bonds. The District may also levy a tax to provide funds to pay the principal and interest on any future utility bonds. In 2026, the District adopted a tax rate of $0.6922 per $100 of taxable assessed valuation to pay debt service on bonds issued for road purposes and no tax to pay debt service on bonds issued for utility purposes as the District had no utility debt outstanding. See "TAX DATA – Tax Rate Distribution," and "– Tax Roll Information" and "TAXING PROCEDURES."

Maintenance and Operation Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance and operation tax is authorized by the District's voters.

A maintenance and operation tax election was conducted on November 7, 2023. The voters of the District authorized, among other things, the Board to levy a maintenance and operation tax not to exceed $1.20 per $100 of taxable assessed valuation for operation and maintenance purposes, including but not limited to planning, constructing, acquiring, maintaining, repairing and operating all necessary land, plants, works, facilities, improvements, appliances and equipment of water, sewer and drainage of the District and for paying costs of proper services, engineering and legal fees and organization and administrative expenses, in accordance with the constitution and laws of the State of Texas, including particularly (but not by way of limitation) Section 49.107 of the Texas Water Code.

A maintenance and operation tax is in addition to unlimited debt service taxes which the District is authorized to levy for paying principal of and interest on the Bonds. In 2026, the District adopted a tax rate of $0.3078 per $100 of taxable assessed valuation for maintenance and operation purposes.

Contract Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax to make payments under a contract, if the provisions of the contract have been approved by a majority of the qualified voters of the District, and such tax is approved by the TCEQ. To date, the voters in the District have not approved contracts between the District and other parties and the levy of a tax without legal limitation as to rate or amount in support thereof. Such tax would be in addition to taxes which the District is authorized to levy for paying principal of and interest on its road bonds and water and sewer bonds, and taxes for the maintenance and operations of the District.

Tax Exemptions

The District has not adopted any optional exemptions for property located within the District. See "TAXING PROCEDURES".

Tax Rate Distribution

The District levied property taxes for the first time in Tax Year 2024.

Tax Year	Calendar Year	Taxable Assessed Valuation	Total Tax Rate[1]	Distribution		Total Tax Levy	Maintenance & Operations Tax Levy	Total Debt Service Tax Levy
				Maintenance Tax Rate	Debt Service Tax Rate			
2024	2025	$ 6,561,767	$ 1.0000	$ 1.0000	$ -	$ 65,618	$ 65,618	$ -
2025	2026	40,977,471	1.0000	0.3200	0.6800	409,775	131,128	278,647
2026	2027	119,841,711	1.0000	0.3078	0.6922	1,198,417	368,873	829,544

Historical Tax Collections

The District levied property taxes for the first time in Tax Year 2024.

Tax Year	Calendar Year	Taxable Assessed Valuation	Total Tax Rate	Total Tax Levy	% Current Collections	% Total Collections
2024	2025	$ 6,561,767	$ 1.0000	$ 65,618	100.00%	100.00%
2025	2026	40,977,471	1.0000	409,775	98.81% [1]	98.81% [1]
2026	2027	119,841,711	1.0000	1,198,417	In Process of Collection	

(1) Collections as of August 31, 2026.

(Continues on following page)

Tax Roll Information

The District's appraised value as of January 1 of each year is used by the District in establishing its tax rate. See "TAXING PROCEDURES – Valuation of Property for Taxation."

As of Tax Year 2026, the Collin Central Appraisal District reported the taxable assessed valuation of the District was $119,841,711. Such taxable assessed valuation was mostly comprised of single-family residential homes and developed single-family lots. The table below is a breakdown of the taxable assessed valuation provided by Collin Central Appraisal District for Tax Year 2026.

	Tax Year 2024	Tax Year 2025	Tax Year 2026
Single-Family Residential	$ -	$ 26,754,289	$ 92,421,268
Vacant Lots and Tracts	-	10,792,606	20,121,500
Qualified Ag Land	80,000	90,000	95,000
Rural Non-Ag Land & Improvements	6,637,918	172,879	6,518,864
Commercial Personal Property	-	-	529,094
Residential Real Property Inventory	-	3,350,000	1,642,810
Other	-	5,000	5,000
Exemptions	(156,151)	(187,303)	(1,491,825)
Net Taxable Assessed Valuation	$ 6,561,767	$ 40,977,471	$ 119,841,711

Principal Taxpayers

As of Tax Year 2026, the Developer was responsible for 14.20% of the property taxes levied by the District. See "THE DEVELOPER – Principal Taxpayers."

Name of Taxpayer	Nature of Property	2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
DR Horton Texas Ltd[(1)(2)]	Homebuilder	$ 10,386,006	8.67%
Arbor Trails PropCo GT LLC[(1)]	Real Estate/Development	10,346,000	8.63%
CZGS Rental 1 LLC[(3)]	Rental Property	9,456,831	7.89%
Arbor Trails Land LLC[(1)]	Real Estate/Development	3,656,099	3.05%
S2 Land LLC[(1)]	Real Estate/Development	3,013,440	2.51%
D.R. Horton - Texas, Ltd.[(1)(2)]	Homebuilder	2,758,486	2.30%
MS Newcon LLC[(3)]	Rental Property	2,136,578	1.78%
Mommy's Homes, LLC	Investment Property	440,396	0.37%
Individual	Homeowner	278,182	0.23%
Individual	Homeowner	274,682	0.23%
		$ 42,746,700	35.67%

(1) See "THE DEVELOPER" and "RISK FACTORS – Dependence on Significant Taxpayers."
(2) Affiliated entities. See "THE DEVELOPER – The Homebuilders."
(3) Represents a single entity that owns multiple rental homes in the District.

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 appraised valuation which would be required to meet average annual and maximum debt service requirements if no growth in the District's tax base occurred beyond the 2026 Certified Net Taxable Assessed Valuation of $119,841,711 and the Estimated Taxable Assessed Valuation as of August 31, 2026 of $148,319,477. The calculations contained in the following table merely represent the tax rates required to pay debt service on the Bonds, when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-eight percent (98%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) – Debt Service Requirements."

Annual Debt Service Requirement (2027)	$ 832,542
Average Annual Debt Service Requirement (2027-2056)	$ 643,911
Maximum Annual Debt Service Requirement (2028)	$ 953,051
Based upon the 2026 Certified Net Taxable Assessed Valuation	
Tax Rate Required to Pay Annual Debt Service Requirement (2027)	$ 0.7089
Tax Rate Required to Pay Average Annual Debt Service Requirement (2027-2056)	$ 0.5483
Tax Rate Required to Pay Maximum Annual Debt Service Requirement (2028)	$ 0.8115
Based upon the Estimated Taxable Assessed Valuation as of August 31, 2026	
Tax Rate Required to Pay Annual Debt Service Requirement (2027)	$ 0.5728
Tax Rate Required to Pay Average Annual Debt Service Requirement (2027-2056)	$ 0.4430
Tax Rate Required to Pay Maximum Annual Debt Service Requirement (2028)	$ 0.6557

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds and any additional road bonds payable from taxes which the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. The Board is also 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 any future utility bonds payable from taxes which the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. See "RISK FACTORS – Future Debt." The District agrees in the Bond Order to levy such a tax from year to year as described more fully herein under "THE BONDS – Sources 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 for the payment of certain contractual obligations. See "TAX DATA."

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (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 a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Collin Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Collin County, including the District. Such appraisal values are subject to review and change by the Collin County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Boards by filing a 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal Districts and approved by the Appraisal Review Boards, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within Collin County, to participate in the nomination of and vote for a member of the Board of Directors of the Appraisal Districts.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: 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; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt certain property owned by qualified organizations engaged primarily in charitable purposes, residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District has not adopted 65 and older or disabled exemptions. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of

the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, to between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran. A veteran who receives a disability rating of 100% and, subject to certain conditions, the surviving spouse of such a veteran, is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. In addition, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2013 and subsequent years, such Goods-in-Transit Exemption 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 no official action to allow taxation of all such goods-in-transit personal property.

General Residential Homestead Exemption

The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the market value of residential homesteads, but not less than $5,000, if any exemption is granted, from ad valorem taxation. The law provides, however, that 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 District has never granted a general residential homestead exemption.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements on the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the level of appraisal of a certain category of property, the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption. The District may not, however, protest a valuation of any individual property.

The Property Tax Code establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

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 are classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

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

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's maintenance and operations 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 or the President (herein defined), 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 maintenance and operations tax threshold applicable to Special Taxing Units.

Developing Districts

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

The District

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

Agricultural, Open Space, or Timberland Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who could continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal Districts is required by the Property Tax Code to act on each claimant's right to the designation individually. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including such taxes for a period of three (3) years for agricultural use and five (5) years for timberland or open space land prior to the loss of the designation. As of Tax Year 2026, approximately 42.94 acres within the District, all of which were owned by the Developer, qualified for the agricultural exemption under the Property Tax Code.

Tax Abatement

Collin County may designate all or part of the District as a reinvestment zone, and the District, and Collin County, as applicable, may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. To date, none of the area within the District has been designated as a reinvestment zone.

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, 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. However, a person who is 65 years of age or older or disabled is entitled by law to pay current taxes on his residential homestead in installments or to receive a deferral or abatement of delinquent taxes without penalty during the time he owns or occupies his property as his residential homestead. 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. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. 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, may be rejected. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) – Estimated Overlapping Debt and Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, 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 except as described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes

against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "RISK FACTORS – Tax Collections Limitations and Foreclosure Remedies."

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without legal limitation as to rate or amount, upon all taxable property within the District. The District will also furnish the approving legal opinion of Winstead PC, Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited 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. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Certain legal matters will be passed upon for the District by its Disclosure Counsel, McCall, Parkhurst & Horton L.L.P., Dallas, Texas.

The District will also furnish the legal opinion of Bond Counsel to the effect that interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under existing law, subject to the matters discussed below under "TAX MATTERS," including the alternative minimum tax on corporations.

In addition to serving as Bond Counsel, Winstead PC also serves as counsel to the District on matters not related to the issuance of Bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and therefore such fees are contingent upon the sale and delivery of the Bonds.

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

Legal Review

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon the Attorney General of Texas's examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income of the holders for federal tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS," "MANAGEMENT OF THE DISTRICT – District Consultants – Bond and General Counsel," "TAXING PROCEDURES," "LEGAL MATTERS (insofar as it relates to the opinion of Bond Counsel)," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION (except for the subheading "Compliance with Prior Undertakings")" solely to determine whether such information fairly summarizes the law referred to therein. In its capacity as

General Counsel to the District, Winstead PC has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS – Annexation," "– Consolidation," "THE DISTRICT – General," "THE WATER, WASTEWATER AND DRAINAGE SYSTEM" and "THE ROAD SYSTEM" solely to determine whether such sections fairly summarize the matters contained therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm 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 such firms' 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 of the other information contained herein.

TAX MATTERS

Opinion

Winstead PC, Dallas, Texas, Bond Counsel will render its opinion that, under existing law, and assuming compliance with certain covenants and the accuracy of certain representations, discussed below, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. See APPENDIX C – Form of Bond Counsel's Opinion.

Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from federal gross income. Included among these continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, yield and other restrictions on the investment of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Failure to comply with these continuing requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of their issuance. The District has covenanted to comply with certain procedures, and has made certain representations and certifications designed to assure compliance with these Code requirements. In rendering its opinion, Bond Counsel will rely on these covenants, on representations and certifications of the District relating to matters solely within its knowledge (which Bond Counsel has not independently verified), and will assume continuing compliance by the District.

The statutes, regulations, published rulings, and court decisions on which Bond Counsel has based its opinion are subject to change by Congress, as well as to subsequent judicial and administrative interpretation by courts and the Internal Revenue Service (the "Service"). No assurance can be given that such law or its interpretation will not change in a manner that would adversely affect the tax treatment of receipt or accrual of interest on, or the acquisition, ownership, market value, or disposition of, the Bonds. No ruling concerning the tax treatment of the Bonds has been sought from the Service, and the opinion of Bond Counsel is not binding on the Service. The Service has an ongoing audit program of tax-exempt obligations to determine whether, in the Service's view, interest on such tax-exempt obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit were to be commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. In this regard, in responding to or defending an audit with respect to the Bonds, the District might have different or conflicting interests from those of the owners of the Bonds.

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

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds, the manner in which the proceeds of the Bonds are to be invested, the reporting of certain information to the United States Treasury, and rebating any arbitrage profits to the United States Treasury. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from date of the issuance of the Bonds.

The opinions set forth above are based on existing law and Bond Counsel's knowledge of relevant facts on the date of issuance of the Bonds. Such opinions are an expression of professional judgment and are not a guarantee of result. Except as stated above, Bond Counsel expresses no opinion regarding any other federal, state, or local tax consequences under current law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition, ownership, or disposition of, the

Bonds. Further, Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the issuance date of the Bonds. In addition, Bond Counsel has not undertaken to advise in the future whether any events occurring after the issuance date of the Bonds may affect the tax-exempt status of interest on the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an "original issue discount" ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of such Bonds. In general, the issue price of Discount Bonds is the first price at which a substantial amount of Discount Bonds of the same maturity are sold to the public (other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).

For federal income tax purposes, OID accrues to the owner of a Discount Bond over such Discount Bond's period to maturity based on the constant interest rate method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). Bond Counsel is of the opinion that the portion of OID that accrues during the ownership period of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as is other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of that Discount Bond. OID may be treated as continuing to accrue even if payment of the Discount Bonds becomes doubtful in the event that the District encounters financial difficulties, and it is treated as interest earned by cash-basis owners, even though no cash corresponding to the accrual is received in the year of accrual. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond.

The federal income tax consequences of the acquisition, ownership, redemption, sale, or other disposition of Discount Bonds not purchased in the initial offering at the initial offering price may be determined according to rules different from those described above. Owners of such Discount Bonds should consult their tax advisors regarding the federal, state, and local income tax treatment and consequences of acquisition, ownership, redemption, sale, or other disposition of such Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds (the "Premium Bonds") may be offered and sold to the public at prices greater than their stated redemption prices (the principal amount) payable at maturity ("Bond Premium"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

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

Under Section 6012 of the Code, owners 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 tax exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the owner 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 of 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.

Changes in Law

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 or otherwise prevent Owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of section 265(b)(3)(B) of the Code. "Qualified tax-exempt obligations" under section 265(b)(3) of the Code affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under section 265(b)(2) of the Code. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the authorized members of the Board will, on behalf of the District, execute and deliver to the Initial Purchaser a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board

NO MATERIAL ADVERSE CHANGE

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

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 Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District to such effect 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.

Municipal Advisor

Hilltop Securities Inc., is employed as the Municipal 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 Municipal Advisor, Hilltop Securities Inc., has compiled and edited this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Consultants

Appraisal District: The information contained in this Official Statement relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" has been provided by the Collin Central Appraisal District and is included herein in reliance upon the authority of such acting as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this Official Statement relating to engineering and to the description of the District's road system and water and wastewater system and, in particular that information included in the sections entitled "THE DISTRICT," "THE ROAD SYSTEM," and "THE WATER, WASTEWATER AND DRAINAGE SYSTEM" has been provided by Peloton Land Solutions and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "DISTRICT OPERATING STATEMENT" has been provided by Tovery Accounting Consultants, LLC and is included herein in reliance upon the authority of such company as experts in the tracking and managing the various funds of municipal utility districts.

Auditor: The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, to prepare the District's audited financial statements for the year ended February 28, 2026.

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 the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser, provided, however, that the obligation of the District to the Initial Purchaser 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 (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customer.

Certification of Official Statement

The District, acting through its Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs

contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the 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

The In the Bond Order, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB") pursuant to its Electronic Municipal Market Access System ("EMMA"). This information will be available to securities brokers and others through the MSRB at www.emma.msrb.org.

Annual Reports

The District will provide certain financial information and operating data annually. The financial information and operating data which will be provided is found in the sections titled "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)" (except the information under the heading "– Estimated Overlapping Debt and Taxes"), "TAX DATA" and "APPENDIX A – Annual Financial Report of the District." The District will update and provide this information within six (6) months after the end of each fiscal year ending in and after 2027. The District will provide the updated information to the MSRB in electronic format, which will be available to the public free of charge via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Website or filed with the SEC, as permitted by the Rule. The updated information will include audited financial statements. If audited financial statements are not available by the required time, the District will provide unaudited financial information by the required time and will provide audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles the District may be required to employ from time to time pursuant to State law or regulation.

The District's fiscal year end is February 28 (or February 29 if applicable). Accordingly, audited financial statements must be provided by August 31 of each year (or unaudited financial statements if audited financial statements are not available) beginning in 2027, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Specified Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material, and (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, 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

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

Availability of Information from the MSRB

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

Limitations and Amendments

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

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, but only if the agreement, as amended, would have permitted an Initial Purchaser to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the District (such as a nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also amend or repeal the agreement if the United States Securities and Exchange Commission amends or repeals the applicable provisions of such Rule or a court of final jurisdiction determines that such provisions are invalid but in either case, only to the extent that its right to do so would not prevent the Initial Purchaser from lawfully purchasing the Bonds in the offering described herein. 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 reason 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

The District entered into its first continuing disclosure agreement in connection with the issuance of its Unlimited Tax Road Bonds, Series 2024. The agreement requires the District to file its annual audited financial statement by February 28 (or February 29 as applicable) of each year. The District is in compliance with the terms of such agreement.

In connection with the issuance of the Bonds, the District has entered into an agreement to file certain financial information and operating data concerning the District, including its annual audited financial statement, by August 31 of each year.

(Continues on following page)

MISCELLANEOUS

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

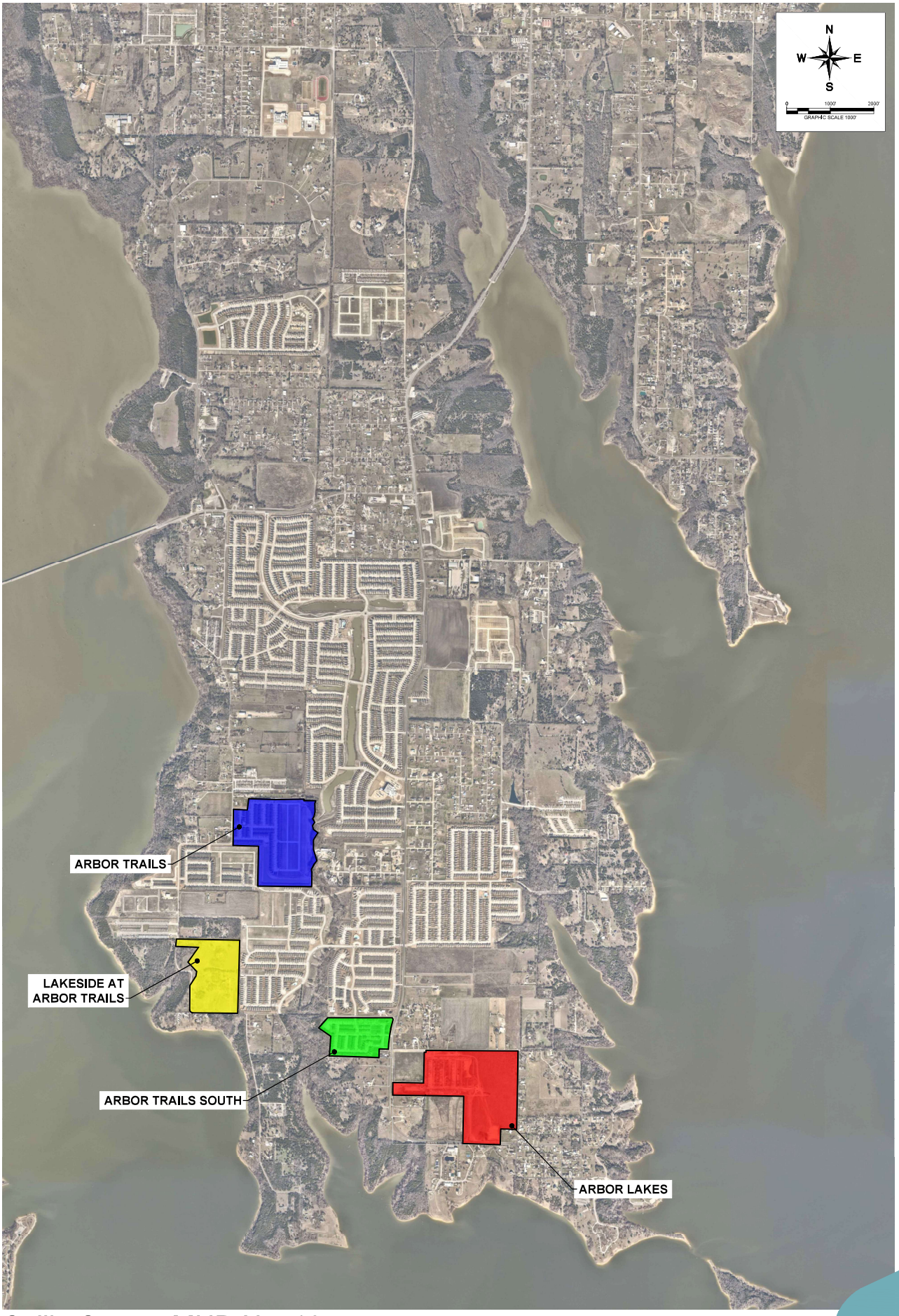
This Official Statement was approved by the Board of Directors of Collin County Municipal Utility District No. 10, as of the date shown on the first page hereof.

/s/ Brent Wall
President, Board of Directors

ATTEST:

/s/ Blake Gustafson
Secretary, Board of Directors

DISTRICT LOCATION MAP



Collin County MUD No. 10

MUD Map - Exhibit A

Collin County, Texas
October 2026

Kimley»Horn
400 N. Oklahoma Drive
Suite 105
Celina, Texas 75009
469-501-2200
State of Texas Registration No. F-928

DWG NAME
LAST SAVED
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APPENDIX A

Annual Financial Report of the District for the year ended February 28, 2026

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COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FEBRUARY 28, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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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
Collin County Municipal Utility District No. 10
Collin County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Collin County Municipal Utility District No. 10 (the "District") as of and for the year ended February 28, 2026, 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 February 28, 2026, 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
Collin County Municipal Utility District No. 10

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 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

June 8, 2026

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2026

Management's discussion and analysis of the financial performance of Collin County Municipal Utility District No. 10 (the "District") provides an overview of the District's financial activities for the fiscal year ended February 28, 2026. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for maintenance tax revenues, developer advances, professional fees, and administrative expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets by $1,609,318 as of February 28, 2026.

The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 1,081,446	$ 218,692	$ 862,754
Capital Assets (Net of Accumulated Depreciation)	14,036,068	5,190,316	8,845,752
Total Assets	$ 15,117,514	$ 5,409,008	$ 9,708,506
Due to Developer	$ 9,683,420	$ 3,487,258	$ (6,196,162)
Bonds Payable	6,557,607	2,382,660	(4,174,947)
Other Liabilities	205,419	38,044	(167,375)
Total Liabilities	$ 16,446,446	$ 5,907,962	$ (10,538,484)
Deferred Inflows of Resources	$ 280,386	$ -0-	$ (280,386)
Net Position:			
Net Investment in Capital Assets	$ (1,637,115)	$ (515,476)	$ (1,121,639)
Restricted	102,276	96,312	5,964
Unrestricted	(74,479)	(79,790)	5,311
Total Net Position	$ (1,609,318)	$ (498,954)	$ (1,110,364)

The following table provides a summary of the District's operations for the years ended February 28, 2026, and February 28, 2025.

	Summary of Changes in the Statement of Activities		
	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 131,947	$ 65,618	$ 66,329
Other Revenues	13,332	1,827	11,505
Total Revenues	$ 145,279	$ 67,445	$ 77,834
Total Expenses	1,255,643	525,594	(730,049)
Change in Net Position	$ (1,110,364)	$ (458,149)	$ (652,215)
Net Position, Beginning of Year	(498,954)	(40,805)	(458,149)
Net Position, End of Year	$ (1,609,318)	$ (498,954)	$ (1,110,364)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of February 28, 2026, were $728,548, an increase of $529,752 from the prior year.

The General Fund fund balance increased by $83,638, primarily due to property tax revenues and developer advances exceeding current year professional fees, contracted services, and administrative costs.

The Debt Service Fund fund balance increased by $124,436, primarily due to the structure of the District's outstanding debt service requirements. The District issued its Series 2025 Road Bonds and deposited capitalized interest into the Debt Service Fund.

The Capital Projects Fund fund balance increased by $321,678. The District issued its Series 2025 Road Bonds during the current fiscal year and used the proceeds to reimburse a Developer.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the current fiscal year. Actual revenues were less than budgeted revenues by $70,869, actual expenditures were $10,676 more than budgeted expenditures and actual developer advances were $220 less than budgeted, resulting in a negative budget to actual variance of $81,765. See the budget to actual comparison for further detail.

CAPITAL ASSETS

Capital assets as of February 28, 2026, total $14,036,068 (net of accumulated depreciation) and include land, roads, water facilities, wastewater facilities, and drainage facilities.

Capital Assets At Year-End

	2026	2025	(Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 802,526	$ 491,462	$ 311,064
Capital Assets Subject to Depreciation:			
Water System	2,469,744	953,781	1,515,963
Wastewater System	2,803,337	1,220,761	1,582,576
Drainage System	2,780,809	1,209,021	1,571,788
Roads	5,515,539	1,383,033	$ 4,132,506
Less Accumulated Depreciation	(335,887)	(67,742)	(268,145)
Total Net Capital Assets	$ 14,036,068	$ 5,190,316	$ 8,845,752

CAPITAL ASSETS (Continued)

Certain water and wastewater facilities are conveyed to other entities for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94. See Note 9 for additional information.

LONG-TERM DEBT

As of February 28, 2026, the District had total bond debt payable of $6,485,000. The changes in the debt position of the District during the fiscal year ended February 28, 2026, are summarized as follows:

Bond Debt Payable, March 1, 2025	$	2,400,000
Add: Bond Sale - Series 2025 Road		4,085,000
Bond Debt Payable, February 28, 2026	$	6,485,000

The Series 2024 Road bonds do not carry an underlying rating or insured rating. The Series 2025 Road bonds do not carry an underlying rating, but do carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Assurance Company.

As of February 28, 2026, the District recorded a Developer liability of $9,683,420 which consisted of operating advances made since inception as well as the construction of certain infrastructure within the District. Such costs may be reimbursable to the Developer by the District from proceeds of future District bond issues, subject to approval by the Commission.

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 Collin County Municipal Utility District No. 10, c/o Winstead P.C., 2728 N. Harwood Street, Suite 500, Dallas, TX 75201.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 170,374	$ 1,781
Investments	66,191	353,001
Cash with Paying Agent		56,913
Receivables:		
Property Taxes	3,713	7,889
Other	1,000	
Due from Other Funds		116,707
Prepaid Costs	7,500	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 248,778	$ 536,291
LIABILITIES		
Accounts Payable	$ 20,815	$ 400
Accrued Interest Payable		
Due to Developer		
Due to Other Funds	116,707	
Accrued Interest at Time of Sale		16,609
Long-Term Liabilities:		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 137,522	$ 17,009
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 3,713	$ 280,386
FUND BALANCES		
Nonspendable: Prepaid Costs	$ 7,500	$
Restricted for Authorized Construction		
Restricted for Debt Service		238,896
Unrestricted	100,043	
TOTAL FUND BALANCES	$ 107,543	$ 238,896
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 248,778	$ 536,291
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
$ 457	$ 172,612	$	$ 172,612
412,627	831,819		831,819
	56,913		56,913
	11,602		11,602
	1,000		1,000
	116,707	(116,707)	
	7,500		7,500
		802,526	802,526
		13,233,542	13,233,542
$ 413,084	$ 1,198,153	$ 13,919,361	$ 15,117,514
$ 30,975	$ 52,190	$	$ 52,190
		153,229	153,229
		9,683,420	9,683,420
	116,707	(116,707)	
	16,609	(16,609)	
		6,557,607	6,557,607
$ 30,975	$ 185,506	$ 16,260,940	$ 16,446,446
$ -0-	$ 284,099	$ (3,713)	$ 280,386
$	$ 7,500	$ (7,500)	$
382,109	382,109	(382,109)	
	238,896	(238,896)	
	100,043	(100,043)	
$ 382,109	$ 728,548	$ (728,548)	$ - 0 -
$ 413,084	$ 1,198,153		
		$ (1,637,115)	$ (1,637,115)
		102,276	102,276
		(74,479)	(74,479)
		$ (1,609,318)	$ (1,609,318)

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2026

Total Fund Balances - Governmental Funds		$ 728,548
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Land and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		14,036,068
Deferred inflows of resources related to property tax revenues for the 2025 and prior maintenance tax levies and the 2024 and prior debt service tax levies, if any, as well as penalty and interest receivable for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		3,713
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. This liability at year end consisted of:		
Due to Developer	$ (9,683,420)	
Accrued Interest Payable	(136,620)	
Bonds Payable	(6,557,607)	(16,377,647)
Total Net Position - Governmental Activities		$ (1,609,318)

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 128,234	$
Interest Revenues	479	6,143
TOTAL REVENUES	$ 128,713	$ 6,143
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 86,767	$
Contracted Services	20,444	6,580
Depreciation		
Other	19,904	
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Interest		79,361
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 127,115	$ 85,941
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 1,598	$ (79,798)
OTHER FINANCING SOURCES (USES)		
Developer Advances	$ 82,040	$
Proceeds From Issuance of Long-Term Debt		204,234
Bond Premium		
Bond Discount		
TOTAL OTHER FINANCING SOURCES (USES)	$ 82,040	$ 204,234
NET CHANGE IN FUND BALANCES	$ 83,638	$ 124,436
CHANGE IN NET POSITION		
FUND BALANCES/ NET POSITION - MARCH 1, 2025	23,905	114,460
FUND BALANCES/ NET POSITION - FEBRUARY 28, 2026	$ 107,543	$ 238,896

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 128,234	$ 3,713	$ 131,947
6,710	13,332		13,332
$ 6,710	$ 141,566	$ 3,713	$ 145,279
$	$ 86,767	$	$ 86,767
	27,024		27,024
		268,145	268,145
	19,904		19,904
161,322	161,322		161,322
2,999,774	2,999,774	(2,999,774)	
	79,361	117,795	197,156
495,325	495,325		495,325
$ 3,656,421	$ 3,869,477	$ (2,613,834)	$ 1,255,643
$ (3,649,711)	$ (3,727,911)	$ 2,617,547	$ (1,110,364)
$	$ 82,040	$ (82,040)	$
3,880,766	4,085,000	(4,085,000)	
232,873	232,873	(232,873)	
(142,250)	(142,250)	142,250	
$ 3,971,389	$ 4,257,663	$ (4,257,663)	$ -0-
$ 321,678	$ 529,752	$ (529,752)	$
		(1,110,364)	(1,110,364)
60,431	198,796	(697,750)	(498,954)
$ 382,109	$ 728,548	$ (2,337,866)	$ (1,609,318)

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED FEBRUARY 28, 2026

Net Change in Fund Balances - Governmental Funds	$	529,752
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.		3,713
Governmental funds do not account for depreciation. In governmental activities, capital assets are depreciated over the estimated useful lives.		(268,145)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		2,999,774
Governmental funds report bond proceeds, bond premiums and bond discounts as other financing sources and uses in the year bonds are sold. The par amount of bonds, net of unamortized bond premiums and bond discounts, are recorded as a long-term liability in the Statement of Net Position.		(4,175,623)
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.		(117,795)
Developer advances are recorded as other financing sources in governmental funds and as a liability in governmental activities.		(82,040)
Change in Net Position - Governmental Activities	$	(1,110,364)

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

NOTE 1. CREATION OF DISTRICT

Collin County Municipal Utility District No. 10 (the "District") was created by an order of the Texas Commission on Environmental Quality (the "Commission"), effective July 13, 2023, in accordance with the Texas Water Code, Chapters 49 and 54. The District was confirmed at an election held on November 7, 2023. The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, and construct roads for the residents of the District. The District is also authorized by law to engage in fire-fighting activities. The Board of Directors held its first meeting on August 14, 2023 and the first bonds were issued on December 17, 2024.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

The District is a political subdivision of the State of Texas governed by an elected board. The GASB has established the criteria for determining whether 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").

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

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

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

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

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental Funds

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

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for maintenance tax revenues, developer advances, operating costs, professional fees and administrative expenditures.

Debt Service Fund - To account for ad valorem taxes restricted, committed or assigned for servicing bond debt and the costs 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 with 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. Recognition of tax revenues for the 2025 debt service tax levy has been deferred until the 2027 fiscal year.

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 year end, the General Fund owed the Debt Service Fund $116,707 for debt service tax collections.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital 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. 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 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 over the estimated useful life of 45 years.

Budgeting

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

Pensions

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

Measurement Focus

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

Fund balances in governmental funds are classified using the following hierarchy:

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended February 28, 2026:

	March 1, 2025	Additions	Retirements	February 28, 2026
Bonds Payable	$ 2,400,000	$ 4,085,000	$	$ 6,485,000
Unamortized Discount	(53,282)	(142,250)	(3,763)	(191,769)
Unamortized Premium	35,942	232,873	4,439	264,376
Bonds Payable, Net	$ 2,382,660	$ 4,175,623	$ 676	$ 6,557,607

Amount Due Within One Year	$ -0-
Amount Due After One Year	6,557,607
Bonds Payable, Net	$ 6,557,607

	Series 2024 Road	Series 2025 Road
Amount Outstanding – February 28, 2026	$ 2,400,000	$ 4,085,000
Interest Rates	4.50% - 6.50%	4.375% - 7.375%
Maturity Date	September 1, 2027/2054	September 1, 2027/2055
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2034*	September 1, 2034*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2024 Road term bonds maturing September 1, 2046 and September 1, 2054 are subject to mandatory redemption beginning September 1, 2034 and September 1, 2047, respectively. Series 2025 Road term bonds maturing September 1, 2037, September 1, 2039, September 1, 2041, September 1, 2043, September 1, 2045, September 1, 2047, September 1, 2049, September 1, 2052 and September 1, 2055 are subject to mandatory redemption beginning September 1, 2036, September 1, 2038, September 1, 2040, September 1, 2042, September 1, 2044, September 1, 2046, September 1, 2048, September 1, 2050 and September 1, 2053, respectively.

The District has authorized but unissued bonds in the following amounts: $171,200,000 for the purchase or construction of water, wastewater, drainage, and storm drainage facilities; $98,215,000 for the purchase or construction of roads; $214,000,000 for refunding water, wastewater, drainage, and storm drainage facilities bonds; and $130,875,000 for refunding road bonds.

NOTE 3. LONG-TERM DEBT (Continued)

As of February 28, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$	$ 327,369	$ 327,369
2028	95,000	327,369	422,369
2029	100,000	320,843	420,843
2030	105,000	313,919	418,919
2031	115,000	306,525	421,525
2032-2036	680,000	1,402,763	2,082,763
2037-2041	880,000	1,172,820	2,052,820
2042-2046	1,135,000	934,139	2,069,139
2047-2051	1,475,000	639,912	2,114,912
2052-2056	1,900,000	262,429	2,162,429
	$ 6,485,000	$ 6,008,088	$ 12,493,088

During the year ended February 28, 2026, the District levied an ad valorem debt service tax rate of $0.68 per $100 of assessed valuation, which resulted in a tax levy of $280,386 on the adjusted taxable valuation of $41,233,184 for the 2025 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The bond orders state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged.

At fiscal year end, the carrying amount of the District's deposits was $172,612 and the bank balance was $172,915. The District was not exposed to custodial credit risk at year-end.

	Cash
GENERAL FUND	$ 170,374
DEBT SERVICE FUND	1,781
CAPITAL PROJECTS FUND	457
TOTAL DEPOSITS	$ 172,612

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 which is reviewed annually and may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

The District invests in LOGIC (Local Government Investment Cooperative), an external public fund investment pool that is not SEC-registered. LOGIC operates under the laws of the State of Texas with all participant funds and investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. Hilltop Securities Inc. and J.P. Morgan Investment Management, Inc. serve as co-administrators of the pool. LOGIC measures its portfolio assets at amortized cost for financial reporting purposes. The District measures its investments in LOGIC at amortized cost. There are no limitations or restrictions on withdrawals from LOGIC.

As of February 28, 2026, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
LOGIC	$ 66,191	$ 66,191
DEBT SERVICE FUND		
LOGIC	353,001	353,001
CAPITAL PROJECTS FUND		
LOGIC	412,627	412,627
TOTAL INVESTMENTS	$ 831,819	$ 831,819

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. LOGIC is rated AAAm by Standard and Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in LOGIC to have maturities of less than one year due to the fact the share positions 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 cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

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

	March 1, 2025	Increases	Decreases	February 28, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 491,462	$ 311,064	$ - 0 -	$ 802,526
Capital Assets Subject to Depreciation				
Water System	$ 953,781	$ 1,515,963	$	$ 2,469,744
Wastewater System	1,220,761	1,582,576		2,803,337
Drainage System	1,209,021	1,571,788		2,780,809
Roads	1,383,033	4,132,506		5,515,539
Total Capital Assets Subject to Depreciation	$ 4,766,596	$ 8,802,833	$ - 0 -	$ 13,569,429
Less Accumulated Depreciation				
Water System	$ 14,111	$ 46,392	$	$ 60,503
Wastewater System	18,061	53,432		71,493
Drainage System	17,887	52,021		69,908
Roads	17,683	116,300		133,983
Total Accumulated Depreciation	$ 67,742	$ 268,145	$ - 0 -	$ 335,887
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 4,698,854	$ 8,534,688	$ - 0 -	$ 13,233,542
Capital Assets, Net of Accumulated Depreciation	$ 5,190,316	$ 8,845,752	$ - 0 -	$ 14,036,068

Certain water and wastewater facilities are conveyed to other entities for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94. See Note 9 for additional information.

NOTE 7. MAINTENANCE TAX

On November 7, 2023, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed $1.20 per $100 of assessed valuation of taxable property within the District. Maintenance tax revenues may be used to pay any legally authorized expenditures of the District. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.32 per $100 of assessed valuation, which resulted in a tax levy of $131,947 on the adjusted taxable valuation of $41,233,184 for the 2025 tax year.

NOTE 8. UNREIMBURSED DEVELOPER COSTS

The District and the Developers have entered into agreements which require the Developers to fund costs associated with construction of roads, water, wastewater, and drainage infrastructure serving the residents of the District in addition to operating advances during the early stages of District development. The District is responsible for reimbursing certain public infrastructure costs and operating advances by means of bond proceeds. The following table summarizes the activity for the current fiscal year:

Due to Developer, beginning of year	$	3,487,258
Current year additions		6,196,162
Due to Developer, end of year	$	9,683,420

NOTE 9. NON-STANDARD SERVICE AGREEMENT

Water Supply

Pursuant to certain Non-Standard Water Service Agreements (the "Water Agreements") between the Developer and Culleoka Water Supply Corporation ("Culleoka WSC"), Culleoka WSC has agreed to provide water supply to Arbor Trails Phases 1 and 2, as well as Arbor Trails South. All of the lands within the District fall within Culleoka WSC's Certificate of Convenience and Necessity (CCN No. 10159) for the provision of water service and pursuant to that CCN, Culleoka WSC is required to provide continuous, adequate service to the District in accordance with Texas law. There is currently no agreement to provide water supply to the lands added into the District on October 21, 2024. The existing Water Agreements require the Developer to finance and construct, at the Developer's sole cost, the necessary water facilities for the transmission, storage and supply of water inside and outside the District's boundaries for the purpose of providing water service to residents within Arbor Trails Phases 1 and 2 as well as Arbor Trails South. The water facilities must be constructed in accordance with the construction plans and specifications in compliance with the TCEQ and Culleoka WSC's applicable rules and regulations. Upon completion, the water facilities are transferred (dedicated) from the Developer to the Culleoka WSC. Culleoka WSC is responsible for the maintenance and operations of the water supply and storage facilities necessary to service Arbor Trails Phases 1 and 2 and Arbor Trails South.

NOTE 9. NON-STANDARD SERVICE AGREEMENT (Continued)

Wastewater Treatment

Pursuant to certain Non-Standard Wastewater Service Agreements (the "Wastewater Agreements") between the Developer and the City of Princeton, Texas (the "City"), the City has agreed to provide wastewater treatment to Arbor Trails Phases 1 and 2, as well as Arbor Trails South. All of the lands within the District fall within the City's Certificate of Convenience and Necessity (CCN No. 21057) for the provision of wastewater service and pursuant to that CCN, the City is required to provide continuous, adequate service to the District in accordance with Texas law. The existing Wastewater Agreements require the Developer to finance and construct or expand, at the Developer's sole cost, the necessary wastewater facilities inside and outside the District's boundaries for the purpose of providing wastewater treatment service to residents within Arbor Trails Phases 1 and 2 as well as Arbor Trails South. The wastewater treatment facilities must be constructed in accordance with the construction plans and specifications in compliance with the TCEQ and the City's applicable rules and regulations. Upon completion, the wastewater treatment facilities are transferred (dedicated) from the Developer to the City. The City is responsible for the maintenance and operations of the wastewater treatment facilities necessary to service Arbor Trails Phases 1 and 2 and Arbor Trails South.

NOTE 10. 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 changes in coverage from the prior year and settlements have not exceeded coverage in since inception.

NOTE 11. BOND SALE

On September 29, 2025, the District issued its Unlimited Tax Road Bonds, Series 2025 in the amount of $4,085,000. Proceeds were used to reimburse a Developer for the construction and engineering of road facilities serving Arbor Trails Phases 1 & 2, as well as land costs. Proceeds were also used to pay certain bond issuance costs, developer interest, and capitalized interest.

COLLIN COUNTY MUNICIPAL UTILITY NO. 10

REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2026

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED FEBRUARY 28, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 199,500	$ 128,234	$ (71,266)
Investment Revenues	82	479	397
TOTAL REVENUES	$ 199,582	$ 128,713	$ (70,869)
EXPENDITURES			
Service Operations:			
Professional Fees	$ 80,000	$ 86,767	$ (6,767)
Contracted Services	18,000	20,444	(2,444)
Other	18,439	19,904	(1,465)
TOTAL EXPENDITURES	$ 116,439	$ 127,115	$ (10,676)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 83,143	$ 1,598	$ (81,545)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 82,260	$ 82,040	$ (220)
NET CHANGE IN FUND BALANCE	$ 165,403	$ 83,638	$ (81,765)
FUND BALANCE - MARCH 1, 2025	23,905	23,905	
FUND BALANCE - FEBRUARY 28, 2026	$ 189,308	$ 107,543	$ (81,765)

COLLIN COUNTY MUNICIPAL UTILITY NO. 10

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

FEBRUARY 28, 2026

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

1. SERVICES PROVIDED BY THE DISTRICT DURING THE YEAR:

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

Note: Culleoka WSC will be the provider of water service and The City of Princeton, Texas will be the provider of wastewater service to residents of the District (see Note 9).

2. RETAIL SERVICE PROVIDERS: (NOT APPLICABLE)

3. TOTAL WATER CONSUMPTION: (NOT APPLICABLE)

4. STANDBY FEES: (NOT APPLICABLE)

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No ____

County in which District is located - Collin 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

Are Board Members appointed by an office outside the District?

Yes ____ No X

See accompanying independent auditor's report.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 28, 2026

PROFESSIONAL FEES:		
Auditing	$	12,750
Engineering		14,229
Legal		59,788
TOTAL PROFESSIONAL FEES	$	86,767
CONTRACTED SERVICES:		
Bookkeeping	$	18,291
Tax Collector		2,153
TOTAL CONTRACTED SERVICES	$	20,444
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	9,992
Travel and Meetings		2,606
Insurance		3,431
Other		3,875
TOTAL ADMINISTRATIVE EXPENDITURES	$	19,904
TOTAL EXPENDITURES	$	127,115

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
INVESTMENTS
FEBRUARY 28, 2026

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
LOGIC	XXXX4001	Varies	Daily	$ 66,191	$ -0-
DEBT SERVICE FUND					
LOGIC	XXXX4003	Varies	Daily	$ 353,001	$ -0-
CAPITAL PROJECTS FUND					
LOGIC	XXXX4002	Varies	Daily	$ 412,627	$ -0-
TOTAL - ALL FUNDS				$ 831,819	$ -0-

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - MARCH 1, 2025	$ -0-		$ -0-	
Adjustments to Beginning Balance		$ -0-		$ -0-
Original 2025 Tax Levy	$ 131,128		$ 278,647	
Adjustment to 2025 Tax Levy	819	131,947	1,739	280,386
TOTAL TO BE ACCOUNTED FOR		$ 131,947		$ 280,386
TAX COLLECTIONS:				
Prior Years	$		$	
Current Year	128,234	128,234	272,497	272,497
TAXES RECEIVABLE - FEBRUARY 28, 2026		$ 3,713		$ 7,889
TAXES RECEIVABLE BY YEAR:				
2025		$ 3,713		$ 7,889

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	2025	2024
TOTAL PROPERTY VALUATIONS	$ 41,233,184	$ 6,561,767
TAX RATES PER $100 VALUATION:		
Debt Service	$ 0.68	$ 0.00
Maintenance	0.32	1.00
TAX RATE PER $100 VALUATION MAINTENANCE -	$ 1.00	$ 1.00
ADJUSTED TAX LEVY*	$ 412,333	$ 65,618
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	97.19 %	100.00 %

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

Maintenance Tax – Maximum tax rate of $1.20 per $100 assessed valuation was approved by voters on November 7, 2023.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2024 ROAD		
	Principal Due September 1	Interest Due March 1/ September 1	Total
2027	$	$ 113,825	$ 113,825
2028	35,000	113,825	148,825
2029	40,000	111,725	151,725
2030	40,000	109,225	149,225
2031	45,000	106,625	151,625
2032	45,000	103,700	148,700
2033	50,000	100,775	150,775
2034	50,000	97,525	147,525
2035	55,000	94,275	149,275
2036	55,000	91,800	146,800
2037	60,000	89,325	149,325
2038	65,000	86,625	151,625
2039	70,000	83,700	153,700
2040	70,000	80,550	150,550
2041	75,000	77,400	152,400
2042	80,000	74,025	154,025
2043	85,000	70,425	155,425
2044	90,000	66,600	156,600
2045	95,000	62,550	157,550
2046	100,000	58,275	158,275
2047	105,000	53,775	158,775
2048	110,000	49,050	159,050
2049	120,000	44,100	164,100
2050	125,000	38,700	163,700
2051	130,000	33,075	163,075
2052	140,000	27,225	167,225
2053	145,000	20,925	165,925
2054	155,000	14,400	169,400
2055	165,000	7,425	172,425
2056			
	$ 2,400,000	$ 2,081,450	$ 4,481,450

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2025 ROAD		
	Principal Due September 1	Interest Due March 1/ September 1	Total
2027	$	$ 213,544	$ 213,544
2028	60,000	213,544	273,544
2029	60,000	209,118	269,118
2030	65,000	204,694	269,694
2031	70,000	199,900	269,900
2032	75,000	194,738	269,738
2033	80,000	189,206	269,206
2034	85,000	183,306	268,306
2035	90,000	177,038	267,038
2036	95,000	170,400	265,400
2037	100,000	163,394	263,394
2038	100,000	156,894	256,894
2039	105,000	150,394	255,394
2040	115,000	145,144	260,144
2041	120,000	139,394	259,394
2042	125,000	133,394	258,394
2043	130,000	127,144	257,144
2044	135,000	120,644	255,644
2045	145,000	113,894	258,894
2046	150,000	107,188	257,188
2047	160,000	100,250	260,250
2048	170,000	92,650	262,650
2049	175,000	84,576	259,576
2050	185,000	76,262	261,262
2051	195,000	67,474	262,474
2052	200,000	58,212	258,212
2053	215,000	48,712	263,712
2054	225,000	38,500	263,500
2055	235,000	28,656	263,656
2056	420,000	18,374	438,374
	$ 4,085,000	$ 3,926,638	$ 8,011,638

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$	$ 327,369	$ 327,369
2028	95,000	327,369	422,369
2029	100,000	320,843	420,843
2030	105,000	313,919	418,919
2031	115,000	306,525	421,525
2032	120,000	298,438	418,438
2033	130,000	289,981	419,981
2034	135,000	280,831	415,831
2035	145,000	271,313	416,313
2036	150,000	262,200	412,200
2037	160,000	252,719	412,719
2038	165,000	243,519	408,519
2039	175,000	234,094	409,094
2040	185,000	225,694	410,694
2041	195,000	216,794	411,794
2042	205,000	207,419	412,419
2043	215,000	197,569	412,569
2044	225,000	187,244	412,244
2045	240,000	176,444	416,444
2046	250,000	165,463	415,463
2047	265,000	154,025	419,025
2048	280,000	141,700	421,700
2049	295,000	128,676	423,676
2050	310,000	114,962	424,962
2051	325,000	100,549	425,549
2052	340,000	85,437	425,437
2053	360,000	69,637	429,637
2054	380,000	52,900	432,900
2055	400,000	36,081	436,081
2056	420,000	18,374	438,374
	$ 6,485,000	$ 6,008,088	$ 12,493,088

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED FEBRUARY 28, 2026

Description	Original Bonds Issued	Bonds Outstanding March 1, 2025
Collin County Municipal Utility District No. 10 Unlimited Tax Road Bonds - Series 2024	$ 2,400,000	$ 2,400,000
Collin County Municipal Utility District No. 10 Unlimited Tax Road Bonds - Series 2025	4,085,000	
TOTAL	$ 6,485,000	$ 2,400,000

Bond Authority:	Water, Sewer and Drainage Bonds	Water, Sewer and Drainage Refunding Bonds	Road Bonds	Road Refunding Bonds
Amount Authorized by Voters	$ 171,200,000	$ 214,000,000	$ 104,700,000	$ 130,875,000
Amount Issued			6,485,000	
Remaining to be Issued	$ 171,200,000	$ 214,000,000	$ 98,215,000	$ 130,875,000

Debt Service Fund cash, investments and cash with paying agent balances as of February 28, 2026:	$ 411,695
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 416,436

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

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	February 28, 2026	Paying Agent
$	$	$ 79,361	$ 2,400,000	UMB Bank, N.A. Dallas, TX
4,085,000			4,085,000	UMB Bank, N.A. Dallas, TX
$ 4,085,000	$ - 0 -	$ 79,361	$ 6,485,000	

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - TWO YEARS

	Amounts		Percentage of Total Revenues	
	2026	2025	2026	2025
REVENUES				
Property Taxes	$ 128,234	$ 65,618	99.5 %	99.6 %
Interest and Miscellaneous Revenues	479	212	0.5	0.4
TOTAL REVENUES	$ 128,713	$ 65,830	100.0 %	100.0 %
EXPENDITURES				
Professional Fees	$ 86,767	$ 75,313	67.4 %	114.4 %
Contracted Services	20,444	14,175	15.9	21.5
Other	19,904	15,327	15.5	23.3
TOTAL EXPENDITURES	$ 127,115	$ 104,815	98.8 %	159.2 %
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 1,598	$ (38,985)	1.2 %	(59.2) %
OTHER FINANCING SOURCES (USES)				
Developer Advances	$ 82,040	$ 71,247		
NET CHANGE IN FUND BALANCE	$ 83,638	$ 32,262		
BEGINNING FUND BALANCE (DEFICIT)	23,905	(8,357)		
ENDING FUND BALANCE	$ 107,543	$ 23,905		

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - TWO YEARS

	Amounts		Percentage of Total Revenues	
	2026	2025	2026	2025
REVENUES				
Property Taxes	$	$	%	%
Investment Revenues	6,143	1,013	100.0	100.0
TOTAL REVENUES	$ 6,143	$ 1,013	100.0 %	100.0 %
EXPENDITURES				
Tax Collection Expenditures	$ 6,180	$	100.6 %	%
Debt Service Interest and Fees	79,761		1,298.4	
TOTAL EXPENDITURES	$ 85,941	$ - 0 -	1,399.0 %	- 0 - %
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (79,798)	$ 1,013	(1,299.0) %	100.0 %
OTHER FINANCING SOURCES (USES)				
Proceeds From Issuance of Long-term Debt	$ 204,234	$ 113,447		
NET CHANGE IN FUND BALANCE	$ 124,436	$ 114,460		
BEGINNING FUND BALANCE	114,460			
ENDING FUND BALANCE	$ 238,896	$ 114,460		
TOTAL ACTIVE RETAIL WATER CONNECTIONS	*	**		
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	*	**		

***** Culleoka WSC will be the provider of water service and the City of Princeton, Texas will be the provider of wastewater service to residents of the District.

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

District Mailing Address - Collin County Municipal Utility District No. 10
c/o Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, TX 75201

District Telephone Number - (214) 745-5400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 28, 2026	Expense Reimbursements for the year ended February 28, 2026	Title
Brent Wall	05/24 05/28 (Elected)	$ 2,431	$ -0-	President
Ashley Eckeberger	05/24 05/28 (Elected)	$ 1,989	$ -0-	Vice President
Blake Gustafson	11/23 05/26 (Elected)	$ 1,989	$ -0-	Secretary
Michael Hanschen	11/23 05/26 (Elected)	$ 2,431	$ 263	Assistant Secretary
Matthew Ledlie	11/23 05/26 (Elected)	$ 442	$ 97	Assistant Secretary

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: May 13, 2024

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

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

Consultants:	Date Hired	Fees for the year ended February 28, 2026	Title
Winstead PC	08/14/23	$ 62,281 $ 103,125	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	10/21/24	$ 12,750 $ 22,000	Auditor AUP and Other
Dye & Tovery, LLC	08/14/23	$ 18,308	Bookkeeper
Kimley-Horn and Associates, Inc.	08/14/23	$ 23,604	Engineer
Hilltop Securities Inc.	08/14/23	$ 120,893	Financial Advisor
Collin County Tax Office	10/01/24	$ 2,153	Tax Assessor/ Collector

APPENDIX B

General Fund and Operating Budget of the District for the year ending February 28, 2027

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Approved 02/02/26

Collin MUD #10

General Operating Budget

March 1, 2026 thru February 28, 2027

	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	TOTAL 03/26-02/27	PY Budget	Difference
Revenue															
4000 · Property Tax Revenue								2,000	28,000	28,000	90,000	100,500	248,500	199,500	49,000
5391 · Interest Revenue	22	22	22	22	22	22	22	22	22	22	22	22	264	82	182
Total Revenue	22	22	22	22	22	22	22	2,022	28,022	28,022	90,022	100,522	248,764	199,582	49,182
Expense															
6071 · Appraisal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6072 · Collections Budget									-				-	-	-
7001 · Accounting	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	1,575	18,900	18,000	900
7190 · Delivery/Courier	-	20	-	-	-	-		-	-	-	-	-	20	64	(44)
7200 · Directors' Fees	1,248	1,248	1,248	1,248	-	1,248	1,248	1,248	1,248	1,248		1,248	12,483	12,483	-
7275 · Election Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7300 · Engineering	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	15,000	15,000
7460 · Insurance	-	-	-	-	-	3,431	-	-	-	-	-	-	3,431	1,795	1,636
7500 · Legal	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	55,000	(10,000)
7070 · Audit			8,000		4,750								12,750	10,000	2,750
7800 - Misc Expense	-	-		-	-	-	-	-	-	177	-	-	177	876	(699)
7501 - Publishing Notices	-		-	-	248	-	-	-	-	-	-	-	248	184	65
7522 - Mtg Expense -Catering	320	320	320	320		320	320	320	320	320	-	320	3,200	3,037	163
Total Expense	9,393	9,413	17,393	9,393	12,823	12,824	9,393	9,393	9,393	9,570	7,825	9,393	126,209	116,439	9,770
Net Ordinary Revenue	(9,371)	(9,391)	(17,371)	(9,371)	(12,801)	(12,802)	(9,371)	(7,371)	18,629	18,452	82,197	91,129	122,555	83,144	39,412

Approved 2/02/26

Collin MUD #10
Debt Service Fund
March 1, 2026 thru February 28, 2027

	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Nov 26	Dec 26	Jan 27	Feb 27	TOTAL 03/26-02/27	PY Budget
Revenue														
Property Tax Revenue	0	0	0	0	0	0	0	3,700	45,000	45,000	173,900	174,000	441,600	0
Interest Revenue	330	330	330	330	330	330	330	330	330	330	330	330	3,960	0
Total Revenue	330	330	330	330	330	330	330	4,030	45,330	45,330	174,230	174,330	445,560	0
Expense														
Debt Service Interest	56,913	0	0	0	0	0	270,456	0	0	0	0	0	327,369	0
Debt Service Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Rate Analysis	0	0	0	0	0	0	0	3,500	0	0	0	0	3,500	
Tax Appraisal Fees	0	0	0	0	0	0	0	0	2,680	0	0	0	2,680	0
Paying Agent Fee	400	0	0	0	0	0	400	0	0	0	0	0	800	0
Total Expense	57,313	0	0	0	0	0	270,856	3,500	2,680	0	0	0	334,349	0
Net Revenue	**(56,983)**	**330**	**330**	**330**	**330**	**330**	**(270,526)**	**530**	**42,650**	**45,330**	**174,230**	**174,330**	**111,211**	**0**

APPENDIX C

Form of Bond Counsel's Opinion

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An opinion in substantially the following form will be delivered by Winstead PC, Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

The opinion will be issued on firm letterhead.

November 17, 2026

COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
UNLIMITED TAX ROAD BONDS, SERIES 2026
IN THE ORIGINAL PRINCIPAL AMOUNT OF $3,550,000

Ladies and Gentlemen:

We have acted as "Bond Counsel" to Collin County Municipal Utility District No. 10 (the "District") in connection with the issuance of the bonds described above (the "Bonds") for the sole purpose of providing legal advice and traditional legal services to the District including rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Bonds or with respect to the sufficiency of security or marketability of the Bonds. We have relied solely on information and certifications furnished to us by the District with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the District.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds that contains certified copies of certain proceedings of the Board of Directors of the District (the "Board"); an order of the Board authorizing the Bonds adopted on October 19, 2026 (the "Order"); the Official Notice of Sale; the awarded bid; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the District (including a "Federal Tax Certificate"), and other public officials; and other documents relating to the issuance of the Bonds. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have examined executed Bond No. T-1.

Based on said examination and in accordance with customary legal opinion practice, it is our opinion that:

1. The District is a validly existing political subdivision of the State of Texas with power to adopt the Order, perform its agreements therein, and issue the Bonds.

2. The Bonds have been authorized, sold, and delivered in accordance with law.

3. The Bonds constitute valid and legally binding obligations of the District enforceable in accordance with their terms except as the enforceability thereof may be limited by principles of sovereign

immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.

4. Ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District, necessary to pay the interest on and principal of the Bonds, have been pledged irrevocably for such purpose.

5. Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in Section 56(k) of the Code) for the purpose of computing alternative minimum tax imposed on corporations.

We call your attention to the fact that the ownership of obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, certain S corporations with Subchapter C earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred expenses allocable to, tax-exempt obligations.

The Service has an ongoing audit program to determine compliance with rules relating to whether interest on state or local obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit is commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. We observe that the District has covenanted not to take any action, or omit to take any action within its control, that, if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

In rendering these opinions, we have relied upon representations and certifications of the District, the District's financial advisor, and the initial purchaser of the Bonds with respect to matters solely within the knowledge of such parties, respectively, which we have not independently verified, and we assume continuing compliance by the District with covenants pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations and certifications are determined to be inaccurate or incomplete, or the District fails to comply with the foregoing covenants, interest on the Bonds could become includable in gross income retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Bonds.

The opinions set forth above are based on existing laws of the United States (including statutes, regulations, published rulings, and court decisions) and the State of Texas, which are subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent

our legal judgment based on our review of existing law, and are made in reliance on the representations and covenants referenced above that we deem relevant to such opinions.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds, the sufficiency of the security for, or the marketability of the Bonds.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed therein and is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. In rendering a legal opinion, we do 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 our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

APPENDIX D

Specimen Municipal Bond Insurance Policy

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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.

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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

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

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Municipal Advisory Services
Provided By

