OFFICIAL STATEMENT DATED OCTOBER 22, 2026

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), UNDER EXISTING LAW AND ASSUMING CONTINUING COMPLIANCE WITH COVENANTS IN THE BOND ORDER (HEREIN DEFINED), INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT INCLUDED IN COMPUTING THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "LEGAL MATTERS" AND "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE—BOOK-ENTRY-ONLY

S&P Global Ratings (AG Insured)......"AA"
See "MUNICIPAL BOND INSURANCE" and "RATING."

$5,785,000
KENDALL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 4A
(A political subdivision of the State of Texas, located within Kendall County, Texas)

UNLIMITED TAX BONDS, SERIES 2026

Dated: November 1, 2026
Interest accrues from: Date of Delivery **Due: September 1, as shown below**

The $5,785,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") are obligations of Kendall County Water Control & Improvement District No. 4A (the "District") and are not obligations of the State of Texas; Kendall County, Texas (the "County"); the City of Boerne, Texas (the "City"); or any other entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the County; the City; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"). The Bonds are dated November 1, 2026 (the "Dated Date"), and will accrue interest from the initial date of delivery, which is expected to be on or about November 19, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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

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 **ASSURED GUARANTY INC. ("AG").**

The Bonds constitute the first series of unlimited tax bonds issued by the District overall, and the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system (the "System") within the District. Voters in the District have authorized a total of $64,363,065 principal amount of bonds for the purpose of acquiring or constructing the System to serve the District; $96,544,590 principal amount of refunding bonds for the System; $78,518,060 principal amount of bonds for the purpose of acquiring or constructing a road system to serve the District (the "Road System"); and $117,777,090 principal amount of refunding bonds for the Road System.

Following the issuance of the Bonds, $58,578,065 principal amount of unlimited tax bonds for the System; $96,544,590 principal amount of refunding bonds for the System; $78,518,060 principal amount of bonds for the Road System; and $117,777,090 principal amount of refunding bonds for the Road System. The Bonds, when issued, will constitute legal, valid and binding obligations of the District, payable from the proceeds of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS—Source of Payment."

The Bonds are offered by the initial purchaser of the Bonds (the "Initial Purchaser") subject to prior sale, when, as, and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of the State of Texas and the approval of certain legal matters by Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas ("Bond Counsel"). Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas ("Disclosure Counsel"). Delivery of the Bonds is expected on or about November 19, 2026.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIP NOS.

$5,785,000 Unlimited Tax Bonds, Series 2026

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 48872X (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 48872X (b)
2028	$120,000	7.000%	3.600%	AA9	2038 (c)	$205,000	5.000%	4.750%	AL5
2029	125,000	7.000%	3.730%	AB7	***	***	***	***	***
2030	130,000	7.000%	3.830%	AC5	2041 (c)	245,000	5.000%	5.050%	AP6
2031	140,000	6.000%	4.000%	AD3	2042 (c)	260,000	5.000%	5.100%	AQ4
2032 (c)	145,000	5.000%	4.100%	AE1	2043 (c)	270,000	5.000%	5.150%	AR2
2033 (c)	155,000	5.000%	4.200%	AF8	2044 (c)	290,000	5.000%	5.220%	AS0
2034 (c)	165,000	5.000%	4.270%	AG6	2045 (c)	305,000	5.250%	5.270%	AT8
2035 (c)	175,000	5.000%	4.370%	AH4	2046 (c)	320,000	5.250%	5.330%	AU5
2036 (c)	185,000	5.000%	4.500%	AJ0	2047 (c)	340,000	5.250%	5.360%	AV3
2037 (c)	195,000	5.000%	4.600%	AK7	***	***	***	***	***

$450,000 Term Bond Due September 1, 2040 (c)(d), Interest Rate: 5.000% (Price: $100.000) (a) CUSIP No. 48872X AN1 (b)

$740,000 Term Bond Due September 1, 2049 (c)(d), Interest Rate: 5.250% (Price: $98.424) (a) CUSIP No. 48872X AX9 (b)

$825,000 Term Bond Due September 1, 2051 (c)(d), Interest Rate: 5.375% (Price: $99.651) (a) CUSIP No. 48872X AZ4 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser. 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 call date.

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

(c) Bonds maturing on September 1, 2032, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on September 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions—*Optional Redemption*."

(d) Such Bonds are also subject to mandatory sinking fund redemption as more fully described herein under "THE BONDS—Redemption Provisions—*Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

This Official Statement is not to be used in connection with 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, orders, contracts, records, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Bond Counsel for further information.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or 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. 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 such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT—Updating of Official Statement."

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under "MUNICIPAL BOND INSURANCE" and "APPENDIX C."

This Official Statement contains "Forward-Looking" statements. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements. See "SALE AND DISTRIBUTION OF THE BONDS–Forward-Looking Statements" herein.

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.

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by Fidelity Capital Markets (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIP NOS." on the cover page of this Official Statement, at a price of 97.037130% of the principal amount thereof which resulted in a net effective interest rate of 5.395737%, 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 sole 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 SEC under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration 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.

Forward-Looking Statements

This Official Statement contains, in part, forward-looking statements and projections, as well as 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. Forward-looking statements and projections may be affected by known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that actual results could differ materially from those set forth in the forward-looking statements.

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.

Delivery of Official Statements

The District shall furnish to the Initial Purchaser (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements agreed upon between the District and the Initial Purchaser. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential underwriters of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement agreed upon between the District and the Initial Purchaser and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") 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 appendix to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Ratings ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "MUNICIPAL BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE."

RATING

The Bonds are expected to receive an insured rating of "AA" (stable outlook) from S&P solely in reliance upon the issuance and delivery of the Policy by AG at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell, or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

The District is not aware of any rating assigned to the Bonds other than the rating of S&P.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The Issuer ..... Kendall County Water Control & Improvement District No. 4A (the "District"), a political subdivision of the State of Texas, is located in Kendall County, Texas (the "County"). See "THE DISTRICT—General" and "—Description."

Description of the Bonds ..... $5,785,000 Kendall County Water Control & Improvement District No. 4A Unlimited Tax Bonds, Series 2026 (the "Bonds"), mature on September 1 in the years and amounts set forth on the inside cover of this Official Statement. The Bonds are dated November 1, 2026 (the "Dated Date"), and will accrue interest from the initial date of delivery, which is expected to be on or about November 19, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS."

Redemption Provisions ..... Bonds maturing on or after September 1, 2032, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2031, and any date thereafter at a price of par plus accrued interest from the most recent Interest Payment Date to the date of redemption. See "THE BONDS—Redemption Provisions—*Optional Redemption*."

The Bonds maturing on September 1, 2028, through September 1, 2038, both inclusive, and September 1, 2041, through September 1, 2047, both inclusive, are serial bonds. The Bonds maturing on September 1 in the years 2040, 2049 and 2051 are term bonds (the "Term Bonds") and are also subject to mandatory sinking fund redemption provisions set out herein under "THE BONDS – Redemption Provisions—*Mandatory Redemption*

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

Authority for Issuance ..... Voters in the District have authorized a total of $64,363,065 principal amount of bonds for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system (the "System") to serve the District; $96,544,590 principal amount of refunding bonds for the System; $78,518,060 principal amount of bonds for the purpose of acquiring or constructing a road system to serve the District (the "Road System"); and $117,777,090 principal amount of refunding bonds for the Road System.

Following the issuance of the Bonds, $58,578,065 principal amount of unlimited tax bonds for the System; $96,544,590 principal amount of refunding bonds for the System, $78,518,060 principal amount of bonds for the Road System; and $117,777,090 principal amount of refunding bonds for the Road System will remain authorized but unissued. The Bonds, when issued, will constitute valid and binding obligations of the District, payable from the proceeds of a continuing direct annual ad valorem property tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS—Source of Payment."

The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"); (ii) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including, particularly Chapters 49 and 51, Texas

	Water Code, as amended; (iii); an election held within the District on November 8, 2022; and (iv) an order issued by the Texas Commission on Environmental Quality (the "TCEQ"). See "THE BONDS—Authority for Issuance," and "—Issuance of Additional Debt."
Use of Proceeds	Proceeds of the Bonds will be used to reimburse the Developer (herein defined) for the costs set out herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." Proceeds of the Bonds will also be used to pay developer interest, capitalized interest, and other costs associated with the issuance of the Bonds.
Tax Exemption	In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax. See "TAX MATTERS" for a discussion of the opinion of Bond Counsel.
Municipal Bond Insurance	Assured Guaranty Inc. ("AG"). See "MUNICIPAL BOND INSURANCE."
Rating	S&P Global Ratings (AG Insured): "AA." See "MUNICIPAL BOND INSURANCE" and "RATING."
Qualified Tax-Exempt Obligations for Financial Institutions	The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."
General & Bond Counsel	Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas.
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
District Engineer	Cude Engineers, San Antonio, Texas.

THE DISTRICT

The District	The District was created pursuant to an Order Providing for the Terms of Division, adopted on June 20, 2022, by Kendall County Water Control and Improvement District No. 4 (the "Division Order") pursuant to the terms of Chapter 9074 Special District Local Laws Code. There have not been any annexations or exclusions since the division. See "THE DISTRICT—General" and "THE DISTRICT—Description."
Location	The District is located approximately 25 miles northwest of San Antonio and 7 miles east of the central business district of the City of Boerne in Kendall County, Texas. Access to the District is provided from the west by Interstate 10 and from the east by Highway 281, both of which connect to Highway 46. Highway 46 provides access along the District's northern boundary. The District is not located within the extra-territorial jurisdiction (ETJ") of any city or jurisdiction. See "THE DISTRICT—Description."
Developer and Principal Landowner	The principal owners and developers of land within the District are Lookout Kendall Ranch, LP, a Texas limited partnership and Lookout Development Group, L.P., a Texas limited partnership ("LDG") (collectively, the "Developer"). The Developer is a privately-held real estate company based in Houston, Texas, with land development operations in various central Texas cities, including the City, Leander, Liberty Hill, and Waxahachie. LDG and its affiliates have been responsible for the acquisition, entitlement and development of over 10,000 acres consisting of approximately 8,000 residential lots. See "DEVELOPER AND PRINCIPAL LANDOWNER."
Development within the District	Land within the District has been developed as the single-family subdivision of George's Ranch Unit 1 (aggregating approximately 191.69 acres and 134 single-family lots). As of October 1, 2026, the District consisted of 49 completed homes, 3 completed model homes, 21 homes under construction, and 61 vacant developed lots. Additionally, approximately 123.53 acres are currently under development as George's Ranch Phases 2A and 2B (an aggregate of 97 single-family lots). The remaining land within the District

consists of approximately 181.42 undeveloped but developable acres. See "DEVELOPMENT WITHIN THE DISTRICT."

Homebuilders in the District..... Homebuilders active in the District are Toll Brothers, Drees Custom Homes, Perry Homes, and various custom homebuilders. Homes are being marketed from $900,000 to over $2,600,000 and range in size from 3,060 square feet to over 6,300 square feet.

RISK FACTORS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2026 Certified Taxable Assessed Valuation	$	81,469,374	(a)
Estimate of Value as of October 7, 2026	$	108,159,621	(b)
The Bonds	$	5,785,000	
Total	$	5,785,000	
Estimated Overlapping Debt	$	4,226,548	(c)
Total Direct and Estimated Overlapping Debt	$	10,011,548	(c)
Direct Debt Ratios:			
As a percentage of 2026 Certified Taxable Assessed Valuation		7.10 %	
As a percentage of Estimate of Value as of October 7, 2026		5.35 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Certified Taxable Assessed Valuation		12.29 %	
As a percentage of Estimate of Value as of October 7, 2026		9.26 %	
General Operating Fund (as of October 1, 2026)	$	102,953	
System Debt Service Fund (as of Delivery of the Bonds)	$	458,259	(d)
2026 District Tax Rate per $100 of Assessed Valuation			
System Debt Service		$0.00	(e)
Road System Debt Service		$0.00	(e)
Maintenance & Operations		$0.75	
Total		$0.75	
Average Annual Debt Service Requirements on the Bonds (2027-2051)	$	422,744	(f)
Maximum Annual Debt Service Requirement on the Bonds (2051)	$	447,844	(f)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds (2027-2051) at 95% Tax Collections			
Based Upon 2026 Certified Taxable Assessed Valuation		$0.55	
Based Upon the Estimate of Value as of October 7, 2026		$0.42	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2051) at 95% Tax Collections			
Based Upon 2026 Certified Taxable Assessed Valuation		$0.58	
Based Upon the Estimate of Value as of October 7, 2026		$0.44	
Number of Single-Family Homes (including 21 homes in various stages of construction and 3 model homes) as of October 1, 2026		73	

(a) As certified by the Kendall Appraisal District (the "Appraisal District"). All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated assessed value as of January 1 of each year. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District as the Estimate of Value as of October 7, 2026. This value represents the estimated determination of the taxable value in the District as of October 7, 2026. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, this estimate will not be the basis for any tax levy by the District. See "TAXING PROCEDURES."

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

(d) Represents eighteen (18) months of capitalized interest to be deposited into the System Debt Service Fund (herein defined) upon issuance of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the District's System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued for the acquisition or construction of roads in the District.

(e) The District is authorized to levy separate debt service taxes for System debt service and Road System debt service, both of which are unlimited as to rate or amount. The District has not levied such tax rate to date, but anticipates doing so in the future.

(f) See "DISTRICT DEBT—Debt Service Requirements."

Official Statement

relating to

$5,785,000

KENDALL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 4A
(A Political Subdivision of the State of Texas Located in Kendall County, Texas)

UNLIMITED TAX BONDS, SERIES 2026

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Kendall County Water Control & Improvement District No. 4A (the "District") of its $5,785,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including, particularly, Chapters 49 and 51, Texas Water Code, as amended; an order authorizing issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds; an election held within the boundaries of the District on November 8, 2022 and an order issued by the Texas Commission Environmental Quality (the "TCEQ").

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District at Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056 or during the offering period from the District's Financial Advisor, Cedar Creek Municipal Advisors, LLC, Attn: David Smalling, 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056 upon payment of reasonable copying, mailing and handling charges.

RISK FACTORS

General

The Bonds, which are obligations of the District and are not obligations of the State of Texas; the County; the City; or any other entity other than the District, will be secured by a continuing direct annual ad valorem property tax, without legal limitation as to rate or amount, on all taxable property located within the District. (See "THE BONDS—Source of Payment.") The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by the 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 property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "—Registered Owners' Remedies" below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the residential housing industry in the County and the San Antonio-Boerne metropolitan area. New residential housing construction can be significantly affected by factors such as general economic activity, interest rates, credit availability, energy costs, construction costs, the level of unemployment and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Location and Access: The District is located approximately 25 miles northwest of San Antonio and 7 miles east of the central business district of the City of Boerne in Kendall County, Texas. Access to the District is provided from the west by Interstate 10 and from the east by Highway 281, both of which connect to Highway 46. Highway 46 provides access along the District's northern boundary. The District is not located within the extra-territorial jurisdiction (ETJ") of any city or jurisdiction. See "THE DISTRICT" above.

Principal Landowner Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA—Principal Taxpayers," the District's ten principal taxpayers in 2026 owned property located in the District, with an aggregate assessed valuation of $55,039,322, which comprised approximately 67.56% of the District's total assessed valuation. While the development of lots is currently ongoing, the District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. The District levied a maintenance and operations tax of $0.75 per $100 of assessed valuation for 2026.

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

Developer Under No Obligation to the District: The Developer has informed the District of its current plans to continue to develop land in the District for residential purposes. However, the Developer is not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, or any other subsequent landowners to whom a party may sell all or a portion of their holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell its land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts and failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developer (see "TAX DATA—Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developer will be or what effect, if any, such conditions may have on its ability to pay taxes. See "DEVELOPER AND PRINCIPAL LANDOWNER," and "DEVELOPMENT WITHIN THE DISTRICT."

Impact on District Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2026 Certified Taxable Assessed Valuation of property located within the District (see "TAX DATA") is $81,469,374 and the Estimate of Value as of October 7, 2026 is $108,159,621. After issuance of the Bonds, the maximum annual debt service requirement on the Bonds will be $447,844 (2051) and the average annual debt service requirements on the Bonds will be $422,744 (2027-2051, inclusive). Assuming no increase to, nor decrease from, the 2026 Certified Taxable Assessed Valuation, tax rates of $0.58 and $0.55 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to, nor decrease from, the Estimate of Value as of October 7, 2026, tax rates of $0.44 and $0.42 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

Tax Collections and Foreclosure Remedies

The District has a right to seek judicial foreclosure on a tax lien, but such remedy may prove to be costly and time consuming and, since the future market or resale market, if any, of the taxable real property within the District is uncertain, there can be no assurance that such property could be sold and delinquent taxes paid. See "TAXING PROCEDURES."

Increase in Costs of Building Materials

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

Limitation to Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners") have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest 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.

Bankruptcy Limitation to Registered Owners' Rights

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

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

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

A special purpose district cannot be placed into bankruptcy involuntarily.

Changes in Tax Legislation

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

The 90th Texas Legislature

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

Marketability

The District has no agreement with any purchaser of the Bonds 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.

Future Debt

Following the issuance of the Bonds, $58,578,065 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the System (herein defined), $96,544,590 principal amount of refunding bonds for the System, $78,518,060 principal amount of bonds for the Road System, and $117,777,090 principal amount of refunding bonds for the Road System will remain authorized but unissued, and such additional bonds as may hereafter be approved by the Board and voters of the District. The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described in the Bond Order. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Following the issuance of the Bonds, the District will owe the Developer approximately $13,288,000 for the reimbursable expenditures advanced to date to develop land within the District. See "THE SYSTEM" and "DEVELOPMENT WITHIN THE DISTRICT."

Approval of the Bonds

As required by law, engineering plans, specifications, and estimates of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the Bonds have been approved, subject to certain conditions, by the TCEQ. The Attorney General of the State of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of the State of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement. Neither the TCEQ nor the Attorney General of the State of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

Consolidation

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

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. See "TAXING PROCEDURES."

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 retroactively to the date of original issuance. See "TAX MATTERS."

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 water control and improvement 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.

Water Supply & Discharge Issues: Water supply and discharge regulations that water control and improvement 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:

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 water control and improvement district's provision of water for human consumption is subject to extensive regulation as a public water system. Water control and improvement 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), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and the USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court 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 water control and improvement districts, including the Regional District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Potential Impact of Natural Disaster

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

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

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense,

high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

National Weather Service Atlas 14 Rainfall Study

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

Cybersecurity

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

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which is qualified in its entirety by reference to the Bond Order. A copy of the Bond Order may be obtained from the District upon written request made to Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056.

The Bonds are dated November 1, 2026 (the "Dated Date"), and will accrue interest from the initial date of delivery, which is expected to be on or about November 19, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown on the inside cover of this Official Statement. Principal of the Bonds will be payable to the Registered Owners (herein defined) at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar, initially, Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to Registered Owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the "Record Date") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

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, New York, New York, while the Bonds are registered in its nominee's name. The information in this section concerning DTC and its "Book-Entry- Only System" has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The holder of ownership interest of each actual purchase of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds in 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 does 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 Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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 Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, the Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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 Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Redemption Provisions

Optional Redemption: The Bonds maturing on and after September 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2031, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. The Paying Agent/Registrar shall give written notice of redemption, by registered mail, overnight delivery, or other comparably secure means, not less than thirty (30) days prior to the redemption date, to each registered securities depository (and to each national information service that disseminates redemption notices) known to the Paying Agent/Registrar, but neither the failure to give such notice nor any defect therein shall affect the sufficiency of notice given to the Registered Owner as hereinabove stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

Mandatory Redemption: The Bonds maturing on September 1 in the years 2040, 2049 and 2051 are "Term Bonds," and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$450,000 Term Bonds Maturing on September 1, 2040

Mandatory Redemption Date	Principal Amount
September 1, 2039	$ 220,000
September 1, 2040 (Maturity)	230,000

$740,000 Term Bonds Maturing on September 1, 2049

Mandatory Redemption Date	Principal Amount
September 1, 2048	$ 360,000
September 1, 2049 (Maturity)	380,000

$825,000 Term Bonds Maturing on September 1, 2051

Mandatory Redemption Date	Principal Amount
September 1, 2050	$ 400,000
September 1, 2051 (Maturity)	425,000

On or before thirty (30) days prior to each Mandatory Redemption Date set forth above, the Paying Agent/Registrar shall (i) determine the principal amount of such Term Bonds that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bonds or portions of the Term Bonds of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Order. The principal amount of the Term Bonds to be mandatorily redeemed on such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this section.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax, other governmental charges, or other expenses required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be

in any integral multiple of $5,000 of principal amount for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith. See "THE BONDS—Book-Entry-Only System" herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Funds

The Bond Order creates a fund for debt service on the Bonds issued for the System and any additional unlimited tax bonds issued by the District for the System (the "System Debt Service Fund"). The System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds for the System, and any additional unlimited tax bonds issued by the District for the System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District's other duly authorized bonds issued for the System payable in whole or in part from taxes. Amounts on deposit in the System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds for the System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Record Date for Interest Payment

Interest on the Bonds will be paid to the Registered Owner appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the "Record Date" (the fifteenth calendar day of the month next preceding each Interest Payment Date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, or on receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and Paying Agent/Registrar of security or indemnity to hold them harmless. Upon the issuance of a new bond, the District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Paying Agent/Registrar), bond printing costs and legal fees in connection with any such replacement.

Replacement of Paying Agent/Registrar

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same

becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and cost of collection. In the Bond Order, the District covenants that said taxes are irrevocably pledged to the payment of the interest and principal of the Bonds and any parity bonds hereinafter issued. The Bonds are obligations of the District and are not the obligations of the State of Texas; Kendall County, Texas (the "County"); the City of Boerne, Texas (the "City"); or any other entity other than the District.

Payment Record

The Bonds represent the first series of unlimited tax bonds issued by the District.

Authority for Issuance

Voters in the District have authorized a total of $64,363,065 principal amount of bonds for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system to serve the District (the "System"); $96,544,590 principal amount of refunding bonds for the System; $78,518,060 principal amount of bonds for the purpose of acquiring or constructing a road system to serve the District (the "Road System"); and $117,777,090 principal amount of refunding bonds for the Road System.

The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described in the Bond Order, and such additional bonds as may hereafter be authorized by the Board and voters of the District.

The Bonds are issued pursuant to the Bond Order; an election held on November 11, 2022; Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including, particularly, Chapters 49 and 51, Texas Water Code, as amended, and an order of the TCEQ.

Issuance of Additional Debt

Following the issuance of the Bonds, $58,578,065 principal amount of unlimited tax bonds for the System; $96,544,590 principal amount of refunding bonds for the System, $78,518,060 principal amount of bonds for the Road System; and $117,777,090 principal amount of refunding bonds for the Road System will remain authorized but unissued.

Following the issuance of the Bonds, the District will owe the Developer (herein defined) approximately $13,288,000 in reimbursables for District projects, the funds for which were advanced by the Developer.

Based on present engineering cost estimates and on development plans supplied by the Developer, in the opinion of the District's consulting engineer, Cude Engineers (the "Engineer"), following the issuance of the Bonds, the District will have adequate authorized but unissued bonds to repay the Developer the remaining amounts owed for the existing utility facilities, and to finance the extension of the System to serve the remaining undeveloped land and roads within the District. See "DEVELOPMENT WITHIN THE DISTRICT," "THE SYSTEM," and "RISK FACTORS—Future Debt."

Registered Owners' Remedies

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

Except for mandamus, the Bond Order does not specifically provide for remedies to a Registered Owner in the event of default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners of the Bonds. There is no provision for 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. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's public purpose property. Further, the Registered Owners could not themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds.

Bankruptcy Limitation to Registered Owners' Rights

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

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

Defeasance

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

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds of the Bonds will be used to reimburse the Developer (herein defined) for the costs set out below. Proceeds of the Bonds will also be used to pay developer interest, eighteen (18) months of capitalized interest, and other costs associated with the issuance of the Bonds.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. Totals may not sum due to rounding.

Construction Costs	District's Share
A. Developer Contribution Items	
1. George's Ranch Unit 1	$ 1,038,660
2. Engineering	344,748
3. Unit 1 Preliminary Engineering	30,625
Total	$ 1,414,033
B. District Contribution Items	
1. Master District Connection Charges	$ 2,411,178
2. Land Costs	117,780
Total District Contribution Items	$ 2,528,958
TOTAL NET CONSTRUCTION COSTS	$ 3,942,991
Non-Construction Costs	
A. Legal Fees	$ 144,625
B. Fiscal Agent Fees	115,700
C. Interest Costs	
1. Capitalized Interest	458,259
2. Developer Interest	648,035
D. Bond Discount	171,402
E. Bond Issuance Expenses	54,293
F. Bond Application Report Costs	51,963
G. District Operation Costs	156,333
H. Attorney General Fee (0.10%)	5,785
I. TCEQ Bond Issuance Fee (0.25%)	14,463
J. Contingency (a)	21,152
TOTAL NON-CONSTRUCTION COSTS	$ 1,842,009
TOTAL UTILITY BOND ISSUE REQUIREMENT	**$ 5,785,000**

(a) Represents the difference between the estimated and actual amount of capitalized interest and Bond discount.

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

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

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THE DISTRICT

General

The District was created pursuant to an Order Providing for the Terms of Division, adopted on June 20, 2022, by Kendall County Water Control and Improvement District No. 4 (the "Division Order") pursuant to the terms of Chapter 9074 Special District Local Laws Code. The Division Order divided Kendall County Water Control and Improvement District No. 4 ("KC WCID 4") into KC WCID 4 and the District. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to water control and improvement districts, including particularly Chapters 49 and 51, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ.

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

Description

The District is located approximately 25 miles northwest of San Antonio and 7 miles east of the central business district of the City of Boerne in Kendall County, Texas. Access to the District is provided from the west by Interstate 10 and from the east by Highway 281, both of which connect to Highway 46. Highway 46 provides access along the District's northern boundary. The District is not located within the extra-territorial jurisdiction (ETJ") of any city or jurisdiction.

At the time of creation, KC WCID 4 comprised a total of 1,142.5 acres. Upon division of the original KC WCID 4 into two districts, the revised KC WCID 4 contained 645.9 acres and the District contained 496.6 acres. There have not been any annexations or exclusions since the division.

Management of the District

- Board of Directors -

The District is governed by a board, consisting of five directors, which has control over and management and supervision of all affairs of the District (the "Board"). Directors serve staggered four-year terms, with elections held in November of each even numbered year. All of the directors own property in the District. The present members and officers of the Board listed below:

Name	Position	Term Expires November
Dennis W. Guerra	President	2028
Michael Pena	Vice President	2030
Lulu Bishop	Secretary	2028
Cindy Bachicha	Assistant Secretary	2030
Chaz Jackson	Assistant Secretary	2030

- Consultants -

Tax Assessor/Collector: The District's Tax Assessor/Collector is Utility Tax Service, LLC (the "Tax Assessor/Collector"). The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Kendall Appraisal District and bills and collects such levy.

Bookkeeper: The District's bookkeeper is L&S District Services, LLC.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. A copy of the District's audit prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, for the fiscal year ended October 31, 2025, is included as "APPENDIX A" to this Official Statement.

Engineer: The consulting engineer retained by the District in connection with the design and construction of the District's facilities is Cude Engineers.

Bond & General Counsel: The District has engaged Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as Bond Counsel ("Bond Counsel") in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale and delivery of the Bonds. Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas also serves as the District's general counsel.

Disclosure Counsel: The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas, as Disclosure Counsel ("Disclosure Counsel") in connection with the issuance of the District's Bonds. The fees of Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

Financial Advisor: Cedar Creek Municipal Advisors, LLC is employed as financial advisor (the "Financial Advisor") to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the

sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is employed by the District and has participated in the preparation of the Official Statement; however, the Financial Advisor is not obligated to undertake, and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement that has been supplied or provided by third parties.

The Public Infrastructure

The City shall provide retail water service to the property within the District. Retail water customers within the District shall pay the applicable water rates for customers outside the corporate limits of the City.

Water Supply: Pursuant to the Water Supply Contract dated October 28, 2020, between the City of Boerne (the "City") and the Master District, the City serves as the retail water provider for the Master District and the George's Ranch development, including the District. The City has committed to provide water service for up to 1,140 Living Unit Equivalents ("LUEs") within the development. The Master District has constructed two 16-inch water transmission lines that connect to the City's water distribution system. Water impact fees are paid to the City by homebuilders, and the District does not intend to reimburse homebuilders for those fees. In addition, the District pays connection charges to the Master District to finance certain regional water facilities.

Sewer and Wastewater: The District does not own or operate wastewater collection or treatment facilities. Wastewater treatment within the District is provided by aerobic septic systems. Accordingly, the City does not provide wastewater service to the District, and the District does not rely on City wastewater treatment facilities..

Roadway and Drainage: Under the Master District Contract, the Master District provides for regional road and drainage facilities serving George's Ranch. The District also finances certain internal road and drainage improvements specific to the District.

Ownership, Operation, and Maintenance of the Public Infrastructure

If dedicated to and accepted by the City, the City shall at all times maintain the public water infrastructure, or cause such public water infrastructure to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same. To the extent roadway Public Infrastructure inside or outside the District is not accepted by the applicable jurisdiction therefor, the District shall have the right, but not the obligation, to maintain such roadway Public Infrastructure. To the extent none of the City, the County or the State of Texas accepts drainage Public Infrastructure within the District, such drainage Public Infrastructure shall be maintained by the District.

DEVELOPER AND PRINCIPAL LANDOWNER

The Role of a Developer

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

Developer and Principal Landowner

The developers and principal owners of land within the District are Lookout Kendall Ranch, LP, a Texas limited partnership and Lookout Development Group, L.P., a Texas limited partnership ("LDG") (collectively, the "Developer"). The Developer is a privately-held real estate company based in Houston, Texas, with land development operations in various central Texas cities, including the City, Leander, Liberty Hill, and Waxahachie. LDG and its affiliates have been responsible for the acquisition, entitlement and development of over 10,000 acres consisting of approximately 8,000 residential lots.

Development Financing

183.38 acres of land within the District serve as collateral for a loan from Frost Bank in the amount of $22,000,000 effective as of November 8, 2023. The current outstanding balance on the loan is $1,000,000 as of October 1, 2026. The loan has a 6-year term and an interest rate of 6.76%. According to the Developer, they are performing and have paid in full all current obligations on the loan.

Lot Sales Contracts

The Developer has entered into option lot sales contracts with the following homebuilders for the homebuilding program within the master-planned community of George's Ranch: Toll Brothers, Drees Custom Homes, Perry Homes, and various Custom Homebuilders (the "George's Ranch Homebuilders").

The Developer has sold 101 of 134 lots in the first planning unit of George's Ranch ("George's Ranch Unit 1" or "Unit 1 ") through option contracts with Toll Brothers, Drees Custom Homes, Perry Homes, and various Custom Homebuilders (the "Unit 1 Homebuilders"). The Unit 1 lots were delivered in the first quarter of 2025. As of the date of this Official Statement, the Unit 1 Homebuilders have closed on 98 of the 101 lots under contract.

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DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

Land within the District has been developed as the single-family subdivision of George's Ranch. Unit 1 (aggregating approximately 191.69 acres and 134 single-family lots). As of October 1, 2026, the District consisted of 49 completed homes, 3 completed model homes, 21 homes under construction, and 61 vacant developed lots. Additionally, approximately 123.53 acres are currently under development as George's Ranch, Phases 2A and 2B (an aggregate of 97 single-family lots). The remaining land within the District consists of approximately 181.42 undeveloped but developable acres.

Developed Acreage	Acres	Platted Lots	Homes		Model Homes (a)	Vacant Lots
			Completed (a)	Under Construction		
Phase 1 - Adeline	77.000	52	14	7	-	31
Phase 1 - Homestead	114.69	82	35	14	3	30
Total (b):	191.69	134	49	21	3	61
Currently Under Development	123.53					
Remaining Developable	181.42					
Total (b):	304.95					
Total Acreage and Platted Lots (b):	496.64					

(b) According to the Developer, there were 42 occupied homes, 7 unoccupied homes, and 3 model homes as of October 1, 2026. Additionally, according to the Developer, as of October 1, 2026, 60 homes have been sold with an average sales price of approximately $1,460,500.
(c) Totals may not sum due to rounding.

Homebuilders

Homebuilders active in the District are Toll Brothers, Drees Custom Homes, Perry Homes, and various other custom homebuilders. Homes are being marketed from $900,000 to over $2,600,000 and range in size from 3,060 square feet to over 6,300 square feet.

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PHOTOGRAPHS OF THE DISTRICT

(October 2026)













TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an amount not to exceed $1.00 per $100 of assessed valuation for operation and maintenance purposes. The District levied a 2026 tax rate of $0.75 per $100 of assessed valuation for operation and maintenance purposes.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance & Operations:	$1.00 per $100 of Assessed Valuation.

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all of any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal and interest on the Bonds. To-date, the District has not levied a tax rate for water, sewer, drainage and road debt service purposes but anticipates doing so in the future.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operations of the District's improvements, if such maintenance and operations tax is authorized by vote of the District's electors. At an election held within the District on November 8, 2022, the Board was authorized to levy such a maintenance and operations tax in an amount not to exceed $1.00 per $100 assessed valuation. The District levied a maintenance and operations tax for 2026 at the rate of $0.75 per $100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemption

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

Additional Penalties

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

Historical Tax Collections

The following table illustrates the collection history of the District for the tax year 2024-2026.

Tax Year (a)	Assessed Valuation	Tax Rate/ $100 (b)	Adjusted Levy	% of Collections Current Year
2024	$ 17,881,250	$0.7500	$ 134,109	100.00%
2025	$ 27,768,590	$0.7500	$ 208,264	97.75% (c)
2026	$ 81,469,374	$0.7500	$ 611,020	(d)

(a) The District levied its initial tax rate in 2024.
(b) See "—Tax Rate Distribution" below.
(c) Collections as of August 31, 2026.
(d) In process of collections.

Tax Rate Distribution

	2026	2025	2024
Utility Debt Service	$0.000	$0.000	$0.000
Road Debt Service	0.000	0.000	0.000
Maintenance & Operations	0.750	0.750	0.750
Total	$0.750	$0.750	$0.750

Analysis of Tax Base

The following table illustrates the District's total assessed value in the tax years 2024-2026, by type of property.

Type of Property	2026 Assessed Valuation	2025 Assessed Valuation	2024 Assessed Valuation
Land	$ 55,930,445	$ 20,049,760	$ 17,881,250
Improvements	28,401,412	7,686,620	-
Personal Property	362,350	32,210	-
Exemption	(3,224,833)	(-)	(-)
Total	$ 81,469,374	$ 27,768,590	$ 17,881,250

Principal Taxpayers

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

Taxpayer	Type of Property	Assessed Valuation 2026 Tax Roll	Percent of 2026 Tax Roll
Lookout Development Group LP (a)	Land & Improvements	$ 24,794,842	30.43%
Toll Southwest LLC (b)	Land & Improvements	8,562,090	10.51%
Drees Custom Homes LP (b)	Land & Improvements	7,135,000	8.76%
Perry Homes LLC (b)	Land & Improvements	5,755,962	7.07%
220 Easy Money Lane LLC	Land & Improvements	1,744,190	2.14%
Easy Money Revocable Living Trust	Land & Improvements	1,445,130	1.77%
Homeowner	Land & Improvements	1,442,760	1.77%
Integrity Homes Inc. (b)	Land & Improvements	1,423,408	1.75%
Homeowner	Land & Improvements	1,368,330	1.68%
Homeowner	Land & Improvements	1,367,610	1.68%
Total		$ 55,039,322	67.56%

(a) See "DEVELOPER AND PRINCIPAL LANDOWNER—Developer and Principal Landowner."
(b) See "DEVELOPMENT WITHIN THE DISTRICT—Homebuilders."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed valuation that would be required to meet certain combined debt service requirements if no growth in the District occurs beyond the 2026 Certified Taxable Assessed Valuation ($81,469,374) or the Estimate of Value as of October 7, 2026 ($108,159,621). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirements on the Bonds (2027-2051)	$ 422,744
Tax Rate of $0.55 on the 2026 Certified Taxable Assessed Valuation produces	$ 425,677
Tax Rate of $0.42 on the Estimate of Value as of October 7, 2026 produces	$ 431,557
Maximum Debt Service Requirement on the Bonds (2051)	$ 447,844
Tax Rate of $0.58 on the 2026 Certified Taxable Assessed Valuation produces	$ 448,896
Tax Rate of $0.44 on the Estimate of Value as of October 7, 2026 produces	$ 452,107

Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2026 taxes levied by such jurisdictions per $100 of assessed valuation. The table below does not include any future debt service tax rate that may be levied as a result of the issuance of the Bonds (see "TAX DATA —Debt Service Tax"). Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2026 Tax Rate Per $100 of Assessed Value
The District (a)	$0.750000
Kendall County, Texas	0.373000
Cow Creek Groundwater Conservation District	0.005000
Boerne Independent School District	1.006500
Total 2026 Overlapping Tax Rate for the District	$2.334500

THE SYSTEM

General

The water, wastewater and drainage facilities, the purchase, acquisition and construction of which have been financed by the District with the proceeds of the Bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including among others, the TCEQ. According to the Engineer, the design of all such facilities has been approved by all governmental agencies, which have jurisdiction over the District.

Description of the System

Water Supply and Distribution: Pursuant to the Water Supply Contract dated October 28, 2020, between the City of Boerne (the "City") and the Master District, the City serves as the retail water provider for the Master District and the George's Ranch development, including the District. The City has committed to provide water service for up to 1,140 Living Unit Equivalents ("LUEs") within the development. The Master District has constructed two 16-inch water transmission lines that connect to the City's water distribution system. Water impact fees are paid to the City by homebuilders, and the District does not intend to reimburse homebuilders for those fees. In addition, the District pays connection charges to the Master District to finance certain regional water facilities.

The City also has the option, but not the obligation, to install a reclaimed water distribution system within the service area. If the City elects to do so, the District is required to cooperate with the City and consent to the sale of reclaimed water within the service area.

Wastewater Treatment and Conveyance System: The Contract does not obligate the City to provide wastewater treatment service to the service area. Pursuant to the Contract, the Owner, District or subsequent builder or landowner may install a wastewater treatment plant, on-site septic field and/or individual septic tanks, provided such infrastructure is constructed in accordance with applicable rules and regulations and does not conflict with the water infrastructure. Accordingly, the Contract does not establish a City-owned wastewater treatment or conveyance system for the District.

Storm-Water Drainage Facilities: The Contract does not provide a detailed description of the District's storm-water drainage facilities or establish specific drainage capacity. The Contract does, however, require deed restrictions relating to development within the Property to include provisions concerning extended detention ponds with littoral plantings to act as stormwater wetlands and vegetative filter strips in open stormwater channels.

Master District Contract

KC WCID 4 has agreed to assume the responsibility of becoming the coordinating district for provision of certain regional services to the Georges Ranch community (the "Service Area"), which currently consists of two (2) districts, KC WCID 4 and the District (collectively, the "Participant Districts"). KC WCID 4 when acting in this capacity is considered the master district (the "Master District").

The Participant Districts and the Master District have entered into the Contract for Financing, Operation and Maintenance of Regional Water, Storm Sewer Facilities, Roads, and Fire Protection Facilities, dated June 20, 2022 (the "Master District Contract"). Under the Master District Contract, the Master District is obligated to provide water, storm sewer facilities, roads, and fire protection facilities, necessary to serve the District and any other Participant District. To provide funds necessary to acquire the facilities needed, the District is required under the contract to pay connection charges to the Master District in amounts sufficient to enable the Master District to provide such services. The connection charge, which is subject to recalculation periodically, is determined by dividing the current estimated costs of all the aforementioned regional facilities

to be constructed, minus the payments which have previously been received for connections purchased, by the anticipated number of connections remaining to be purchased, within the Service Area. In lieu of payment of connection charges, the District, with the approval of the Master District, may construct facilities for the Master District which after completion are conveyed to the Master District as a credit against connection charges. The total current TCEQ approved master district connection charge is $10,438 per residential connection, calculated by dividing the estimated costs of the regional offsite water main by the ultimate projected ESFC count of 776.

Historical Operations of the System

The following is a summary of the District's general operating fund for the previous fiscal year. The figures for the fiscal year that ended October 31, 2025 were obtained from the District's annual financial reports. See "APPENDIX A." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	2025
Total Revenues	$ -
Expenditures	
Professional fees	$ 50,107
Contracted services	3,234
Administrative and Other	10,550
Total Expenditures	$ 63,891
Revenues Under Expenditures	$ (63,891)
Other Financing Sources	
Developer advances	$ 87,000
Net changes in Fund Balance	$ 23,109
Beginning Fund Balance	$ (5,669)
Ending Fund Balance	$ 17,440

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DISTRICT DEBT

2026 Certified Taxable Assessed Valuation	$	81,469,374	(a)
Estimate of Value as of October 7, 2026	$	108,159,621	(b)
The Bonds	$	5,785,000	
Total	$	5,785,000	
Estimated Overlapping Debt	$	4,226,548	(c)
Total Direct and Estimated Overlapping Debt	$	10,011,548	(c)
Direct Debt Ratios:			
As a percentage of 2026 Certified Taxable Assessed Valuation		7.10 %	
As a percentage of Estimate of Value as of October 7, 2026		5.35 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Certified Taxable Assessed Valuation		12.29 %	
As a percentage of Estimate of Value as of October 7, 2026		9.26 %	
General Operating Fund (as of October 1, 2026)	$	102,953	
System Debt Service Fund (as of Delivery of the Bonds)	$	458,259	(d)
2026 District Tax Rate per $100 of Assessed Valuation			
System Debt Service		$0.00	(e)
Road Debt Service		$0.00	(e)
Maintenance & Operations		$0.75	
Total		$0.75	
Average Annual Debt Service Requirements on the Bonds (2027-2051)	$	422,744	(f)
Maximum Annual Debt Service Requirement on the Bonds (2051)	$	447,844	(f)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds (2027-2051) at 95% Tax Collections			
Based Upon 2026 Certified Taxable Assessed Valuation		$0.55	
Based Upon the Estimate of Value as of October 7, 2026		$0.42	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2051) at 95% Tax Collections			
Based Upon 2026 Certified Taxable Assessed Valuation		$0.58	
Based Upon the Estimate of Value as of October 7, 2026		$0.44	

(a) As certified by the Appraisal District. All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated assessed value as of January 1 of each year. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District as the Estimate of Value as of October 7, 2026. This value represents the estimated determination of the taxable value in the District as of October 7, 2026. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, this estimate will not be the basis for any tax levy by the District. See "TAXING PROCEDURES."

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

(d) Represents eighteen (18) months of capitalized interest to be deposited into the System Debt Service Fund upon issuance of the Bonds. Neither Texas Law nor the Bond Order requires that the District maintain any particular sum in the District's System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued for the acquisition or construction of roads in the District.

(e) The District is authorized to levy separate debt service taxes for System debt service and Road System debt service, both of which are unlimited as to rate or amount. The District has not levied such tax rate to-date, but anticipates doing so in the future.

(f) See "DISTRICT DEBT—Debt Service Requirements."

Debt Service Requirements

The following sets forth the principal and interest requirements on the Bonds.

Year	Principal	Interest	Total Debt Service
2027	$ -	$ 239,313	$ 239,313
2028	120,000	305,506	425,506
2029	125,000	297,106	422,106
2030	130,000	288,356	418,356
2031	140,000	279,256	419,256
2032	145,000	270,856	415,856
2033	155,000	263,606	418,606
2034	165,000	255,856	420,856
2035	175,000	247,606	422,606
2036	185,000	238,856	423,856
2037	195,000	229,606	424,606
2038	205,000	219,856	424,856
2039	220,000	209,606	429,606
2040	230,000	198,606	428,606
2041	245,000	187,106	432,106
2042	260,000	174,856	434,856
2043	270,000	161,856	431,856
2044	290,000	148,356	438,356
2045	305,000	133,856	438,856
2046	320,000	117,844	437,844
2047	340,000	101,044	441,044
2048	360,000	83,194	443,194
2049	380,000	64,294	444,294
2050	400,000	44,344	444,344
2051	425,000	22,844	447,844
Total (a)	$ 5,785,000	$ 4,783,588	$ 10,568,588

(a) Totals may not sum due to rounding.

Average Annual Requirements on the Bonds (2027-2051)	$ 422,744
Maximum Annual Requirement on the Bonds (2051)	$ 447,844

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Estimated Direct and Overlapping Debt Statement

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

		Estimated Overlapping Debt	
Taxing Jurisdiction	**Debt as of August 31, 2026**	**Percent**	**Amount**
Kendall County, Texas	$ 24,260,000	0.63%	$ 152,041
Boerne Independent School District	356,554,896	1.14%	4,074,507
Total Estimated Overlapping Debt			$ 4,226,548
The District			5,785,000 (a)
Total Direct & Estimated Overlapping Debt			$ 10,011,548 (b)

(a) The Bonds.
(b) Includes the Bonds.

Debt Ratios

	% of 2026 Assessed Valuation	% of 10/7/2026 Estimate of Value
Direct Debt (a)	7.10%	5.35%
Direct and Estimated Overlapping Debt (b)	12.29%	9.26%

(a) The Bonds.
(b) Includes the Bonds.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "RISK FACTORS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully herein under "THE BONDS—Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA—Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of the District. For tax year 2026, the District did not grant an exemption for persons age 65 or older or disabled persons. Qualifying surviving spouses of person 65 years of age or older would be entitled to receive an exemption equal to the exemption received by the deceased spouse. The District may be required to offer such exemptions if a majority of voters approve the same at an election, which the District would be required to call upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. 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 at no cost to the veteran. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. 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 is transferrable to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to twenty (20%) percent of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The District has never adopted a general homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes, or used to repair or maintain aircraft of a certified air carrier, and shipped out of the state within one hundred seventy-five (175) days. Freeport goods are exempt from taxation by the District. Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax year 2011 and prior applicable years, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more 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. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. The District has not taken action to tax Goods-in-Transit. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

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

Valuation of Property for Taxation

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

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the Governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

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

District and Taxpayer Remedies

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

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda, which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals which 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 water control and improvement districts differently based on the current operation and maintenance tax rate or on the percentage of projected 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 herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units: Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 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 in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Property Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of the State of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

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

Agricultural, Open Space, Timberland and Inventory Deferment

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

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. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) to defray collection costs if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances. Under certain circumstances, property owners located within a natural disaster area affected by a disaster may pay property taxes in four equal installments following the disaster. Further, a person who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead.

District's Rights in the Event of Tax Delinquencies

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

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of the State of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds and 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 for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax.

Bond Counsel has reviewed the information appearing in this Official Statement under the captions "THE DISTRICT—General," "THE BONDS (except under the subheading "Registered Owners' Remedies)," "TAXING PROCEDURES," "LEGAL MATTERS—Legal Proceedings," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District or the Developer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

The legal fees paid to Bond Counsel and Disclosure Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish to the initial purchaser of the Bonds (the "Initial Purchaser") a certificate, dated as of the Date of Delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their actual knowledge then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the

Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in this Official Statement, as it may be supplemented or amended, through the date of sale. The rating of the Insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Initial Purchaser of its obligations to take up and pay for the Bonds.

TAX MATTERS

The delivery of Bonds is subject to an opinion of Bond Counsel to the effect that, assuming continuing compliance by the District with the provisions of the Bond Order subsequent to the issuance of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), and existing regulations, published rulings and court decision procedures, interest on the bonds (i) will be excludable from the income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes and (ii) is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the alternative minimum tax imposed on corporations for tax years. The statutes, regulations, published rulings, and court decisions on which such opinion is based are subject to change.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or Beneficial Owners to incur significant expense.

Proposed Tax Legislation

If enacted, tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or state income taxation, or otherwise prevent the Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, future legislation to resolve certain federal budgetary issues may significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax purposes of interest on all state and local obligations, including the Bonds. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

Tax Accounting Treatment of Original Issue Discount

To the extent the issue price of any maturity of the Bonds may be less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is entitled to be excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public. Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Qualified Tax-Exempt Obligations

The District has designated the Bonds as "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during the calendar year 2026 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026. Pursuant to Section 265 of the Code, a qualifying financial institution may be allowed a deduction from its own federal corporate income tax for the portion of interest expense the financial institution is able to allocate to designated bank-qualified investments. Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

The discussion contained herein may not be exhaustive. Investors, including those who are subject to special provisions of the Code, should consult their own tax advisors as to the tax treatment which may be anticipated to result from the purchase, ownership, and disposition of tax-exempt obligations before determining whether to purchase the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the United States Securities and Exchange Commission Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District has not issued more than $10,000,000 in aggregate amount of outstanding bonds and no person is committed by contract or other arrangement with respect to payment of the Bonds. As required by the exemption, in the Bond Order, the District has made the following agreement for the benefit of the holders and 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 certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to EMMA annually.

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the heading "APPENDIX A—FINANCIAL STATEMENTS OF THE DISTRICT." In addition, the District has agreed to provide information with respect to the Developer, any person or entity to whom the Developer voluntarily assigns (except as collateral) the right to receive payment out of the proceeds from the sale of the bonds of the District, and each other person or entity, if any, to whom the District voluntarily makes or agrees or has agreed to make a payment out of such proceeds. The information provided will be of the general type included in this Official Statement under the heading "APPENDIX B—FINANCIAL STATEMENTS OF THE DEVELOPER." The District will be obligated to provide information concerning the Developer and any such person or entity only if and so long as (1) such person owns more than 20% of the taxable property within the District by value, as reflected by the most recently certified rolls (and without effect to special valuation provisions), (2) such person has made tax or other payments to the District which were used or available to pay more than 20% of the District's debt service requirements in the applicable fiscal year, or (3) at the end of such fiscal year such person is obligated to the District to provide or pay for District facilities or debt in an amount which exceeds 20% of the amount of the District's bonds then outstanding. The District will update and provide this information to EMMA within six months after the end of each of its fiscal years.

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

The District's fiscal year end is currently October 31. Accordingly, it must provide updated information by April 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Event Notices

The District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) 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 IRS 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 within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District within the meaning of the Rule, the sale of all or substantially all of the assets of the District within the meaning of the Rule, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such 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 any such financial obligation of the District, any of which reflect financial difficulties. 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 MSRB consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

The District has agreed to provide the foregoing notices to the MSRB. The District is required to file its continuing disclosure information using EMMA, which is the format currently prescribed by the MSRB and has been established by the MSRB to make such continuing disclosure information available to investors free of charge. Investors may access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain 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 Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The Developer has agreed to provide to the District the information that the District has agreed to provide with respect to the Developer. The Developer has also agreed with the District that it will not assign any of its rights to receive payment from the District out of proceeds of the Bonds (except as collateral), unless the assignee assumes the Developer's agreement to provide such information, but the Developer may sell its property within the District without any such assumption. The District's ability to provide information about the Developer or others, as well as the accuracy and completeness of such information, is completely dependent on such persons' compliance with their contractual agreements with the District.

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 or the Developer, but only if the agreement, as amended, would have permitted an underwriter 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 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 SEC 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 reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

The Bonds are the first issuance of bonds by the District; therefore, the District has not previously made any continuing disclosure agreements in accordance with the Rule.

OFFICIAL STATEMENT

Preparation

The information in this Official Statement has been obtained from sources as set forth herein under the following captions: "THE DISTRICT," "THE SYSTEM," "DEVELOPER AND PRINCIPAL LANDOWNER," "DEVELOPMENT WITHIN THE DISTRICT," "TAX DATA," "THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION," "TAXING PROCEDURES," "LEGAL MATTERS" and "TAX MATTERS."

Experts

In approving this Official Statement, the District has relied upon the following experts in addition to the Financial Advisor.

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT," and "THE SYSTEM," has been provided by the Engineer, and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.

Tax Assessor/Collector and Appraisal District: The information contained in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "TAX DATA" has been provided by Utility Tax Services, LLC and the Kendall Appraisal District, in reliance upon their authority as experts in appraising and tax assessing.

Auditor

The District's audited financial statements for the year ended October 31, 2025, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, Houston, Texas, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Official Statement.

Certification as to Official Statement

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

Updating of Official Statement

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

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Kendall County Water Control & Improvement District No. 4A, as of the date shown on the first page hereof.

/s/ Dennis W. Guerra
President, Board of Directors
Kendall County Water Control & Improvement District No. 4A

ATTEST:

/s/ Cindy Bachicha
Assistant Secretary, Board of Directors
Kendall County Water Control & Improvement District No. 4A

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A

KENDALL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

OCTOBER 31, 2025

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
Kendall County Water Control and
Improvement District No. 4A
Kendall County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Kendall County Water Control and Improvement District No. 4A (the "District") as of and for the year ended October 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of October 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

April 22, 2026

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2025

Management's discussion and analysis of the financial performance of Kendall County Water Control and Improvement District No. 4A (the "District") provides an overview of the District's financial activities for the fiscal year ended October 31, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) 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 Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. 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 the District's assets, liabilities, and deferred inflows of resources 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 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 one governmental fund type. The General Fund accounts for developer advances, professional fees, administrative costs and any other lawfully authorized expenditures of the District.

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 fund. 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 Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance 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 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 $1,981,041 as of October 31, 2025. A portion of the District's net position reflects its net investment in capital assets which include water, drainage, detention, and road infrastructure less any related debt. The developer has funded the construction of infrastructure as well as made operating advances during the startup period of the District resulting in a liability to the developer of $17,918,214. Reimbursements to the developer will come through the use of bond proceeds or other lawfully available funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

This is the District's first audit. In future years, a comparative analysis of government-wide changes in net position will be presented. The following table provides a summary of the Statement of Net Position for the year ended October 31, 2025.

	Summary of the Statement of Net Position 2025
Current and Other Assets	$ 237,719
Capital Assets, Net	7,875,809
Intangible Capital Assets, Net	8,043,924
Total Assets	$ 16,157,452
Due to Developer	$ 17,918,214
Other Liabilities	12,766
Total Liabilities	$ 17,930,980
Deferred Inflows of Resources	$ 207,513
Net Position:	
Net Investment in Capital Assets	$ (1,876,481)
Unrestricted	(104,560)
Total Net Position	$ (1,981,041)

This is the District's first audit. In future years, a comparative analysis of government-wide changes in operations will be presented. The following table provides a summary of the District's financial activities for the year ended October 31, 2025.

	Summary of the Statement of Activities 2025
Total Revenues	$ -0-
Total Expenses	$ 1,940,372
Change in Net Position	$ (1,940,372)
Net Position, Beginning of Year	(40,669)
Net Position, End of Year	$ (1,981,041)

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2025

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's General Fund fund balance as of October 31, 2025, was $17,440, an increase of $23,109 from the prior fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the General Fund for the current fiscal year. Actual revenues were less than budgeted revenues by $10,000, actual expenditures were more than budgeted expenditures by $21,436, and actual developer advances were more than budgeted by $54,545, which resulted in a positive budget to actual variance of $23,109. See the budget to actual comparison for more information.

CAPITAL ASSETS AND INTANGIBLE ASSETS

Roads, drainage, and detention facilities are owned, operated and maintained by the District and recorded as capital assets in the District's financial statements. Capital assets as of October 31, 2025, totaled $7,875,809, net of accumulated depreciation. See Note 5 for more information.

The District is located within the corporate limits of the City of Boerne, Texas (the "City"). The City has accepted responsibility for the ownership, maintenance, and operations of the water facilities constructed by the developer on behalf of the District which have been conveyed to the City. These facilities serve users within the District, as more fully discussed in Note 10. The District records such assets as intangible right-to-use capital assets in its financial statements. As of October 31, 2025, intangible right-to-use capital assets totaled $8,043,924, net of accumulated amortization.

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 Kendall County Water Control and Improvement District No. 4A, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Blvd., Suite 2650, Houston, TX 77056.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE
OCTOBER 31, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash	$ 31,774	$	$ 31,774
Property Taxes Receivable	205,945		205,945
Capital Assets, Net		7,875,809	7,875,809
Intangible Right-to-Use Capital Assets, Net		8,043,924	8,043,924
TOTAL ASSETS	$ 237,719	$ 15,919,733	$ 16,157,452
LIABILITIES			
Accounts Payable	$ 12,766	$	$ 12,766
Due to Developer		17,918,214	17,918,214
TOTAL LIABILITIES	$ 12,766	$ 17,918,214	$ 17,930,980
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	$ 207,513	$ -0-	$ 207,513
FUND BALANCE			
Unassigned	$ 17,440	$ (17,440)	$ -0-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 237,719		
NET POSITION			
Net Investment in Capital Assets		$ (1,876,481)	$ (1,876,481)
Unrestricted		(104,560)	(104,560)
TOTAL NET POSITION		$ (1,981,041)	$ (1,981,041)

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

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
OCTOBER 31, 2025

Total Fund Balance - Governmental Fund	$	17,440
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and intangible right-to-use capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		15,919,733
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developer		(17,918,214)
Total Net Position - Governmental Activities	$	(1,981,041)

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

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED OCTOBER 31, 2025

	General Fund	Adjustments	Statement of Activities
TOTAL REVENUES	$ - 0 -	$ - 0 -	$ - 0 -
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	$ 50,107	$	$ 50,107
Contracted Services	3,234		3,234
Depreciation and Amortization		120,043	120,043
Administrative and Other	10,550		10,550
Conveyance of Assets - TXDot		1,756,438	1,756,438
TOTAL EXPENDITURES/EXPENSES	$ 63,891	$ 1,876,481	$ 1,940,372
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	$ (63,891)	$ (1,876,481)	$ (1,940,372)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 87,000	$ (87,000)	$ -0-
NET CHANGE IN FUND BALANCE	$ 23,109	$ (23,109)	$
CHANGE IN NET POSITION		(1,940,372)	(1,940,372)
FUND BALANCE (DEFICIT)/NET POSITION - NOVEMBER 1, 2024	(5,669)	(35,000)	(40,669)
FUND BALANCE/NET POSITION - OCTOBER 31, 2025	$ 17,440	$ (1,998,481)	$ (1,981,041)

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

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED OCTOBER 31, 2025

Net Change in Fund Balance - Governmental Fund	$	23,109
Amounts reported for governmental activities in the Statement of Activities are different because:		
Depreciation and amortization of long-lived capital assets and intangible right-to-use capital assets are recorded in the Statement of Activities.		(120,043)
Certain improvements made to roads owned by the Texas Department of Transportation and funded by the Developer are reflected as an expense.		(1,756,438)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(87,000)
Change in Net Position - Governmental Activities	$	(1,940,372)

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

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
NOTES TO THE FINANCIAL STATEMENTS
OCTOBER 31, 2025

NOTE 1. CREATION OF DISTRICT

Kendall County Water Control and Improvement District No. 4 is a conservation and reclamation district, a body politic and corporate and a governmental agency of the State of Texas, organized, created, and established pursuant to Act of June 9, 2017, 85th Leg., R.S., S.B 2273 (codified at Texas Special District Local Laws Code Ann. Chapter 9074) in accordance with Article XVI, Section 59, and Article III, Section 52, of the Constitution of the State of Texas.

Kendall County Water Control and Improvement District No. 4A (the "District"), is a conservation and reclamation district, a body politic and corporate and a governmental agency of the State of Texas, organized, created, and established by an election held on November 8, 2022, approving the division of Kendall County Water Control and Improvement District No. 4 into Kendall County Water Control and Improvement District No. 4 and the District. The District operates in accordance with Article XVI, Section 59, and Article III, Section 52, of the Constitution of the State of Texas and operates pursuant to Chapters 49 and 51, Texas Water Code, as amended.

The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to water control and improvement districts, including particularly Chapters 49 and 51, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the control and diversion of storm water; and roads. The District held its organizational meeting on June 20, 2022.

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. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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 are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements and Governmental Fund

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance. The District has one governmental fund and considers it to be a major fund. The General Fund accounts for developer advances, professional fees, administrative costs, and any other lawfully authorized expenditures of the District.

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures. The 2025 tax levy has been fully deferred for fund and government-wide financial statement preparation purposes.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 "employees" for federal payroll tax purposes only.

Capital Assets and Intangible Right-to-Use Capital Assets

Roads, drainage, and detention facilities are owned, operated and maintained by the District and recorded as capital assets in the District's financial statements.

The District is located within the corporate limits of the City of Boerne, Texas. The City has accepted responsibility for the ownership, maintenance, and operations of the water facilities constructed by the developer on behalf of the District which have been conveyed to the City. These facilities serve users within the District, as more fully discussed in Note 10. The District records such assets as intangible right-to-use capital assets in its financial statements.

Capital assets and intangible right-to-use capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. These asset categories were combined for reporting purposes in the prior fiscal year. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation and amortization are calculated over the estimated useful lives using the straight-line method of amortization over 45 years.

Budgeting

A budget was 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund 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. The District does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. The District does not have any restricted fund balances.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. BOND AUTHORITY

At an election held on November 8, 2022, the voters of the District authorized the following bond capacity: $64,363,065 for utility facilities; $96,544,590 for utility refunding bonds; $78,518,060 for road facilities; and $117,777,090 for refunding road bonds.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

At fiscal year-end, the carrying amount of the District's deposits was $31,774 and the bank balance was $37,995. The District was not exposed to custodial credit risk at year-end. The carrying values of deposits at year end are summarized in the following table:

	Cash
GENERAL FUND	$ 31,774

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

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 which is reviewed annually and which may be more restrictive than the Public Funds Investment Act. As of October 31, 2025, the District had no investments.

NOTE 5. CAPITAL ASSETS AND INTANGIBLE ASSETS

Changes in capital assets during the current fiscal year are summarized in the following table:

	November 1, 2024	Increases	Decreases	October 31, 2025
Capital Assets Subject to Depreciation				
Roads	$	$ 4,008,423	$	$ 4,008,423
Drainage and Detention Facilities		3,960,048		3,960,048
Total Capital Assets Subject to Depreciation	$ - 0 -	$ 7,968,471	$ - 0 -	$ 7,968,471
Accumulated Depreciation				
Roads	$	$ 46,612	$	$ 46,612
Drainage and Detention Facilities		46,050		46,050
Total Accumulated Depreciation	$ - 0 -	$ 92,662	$ - 0 -	$ 92,662
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ - 0 -	$ 7,875,809	$ - 0 -	$ 7,875,809

NOTE 5. CAPITAL ASSETS AND INTANGIBLE ASSETS (Continued)

The District is located within the corporate limits of the City of Boerne, Texas. The City has accepted responsibility for the ownership, operations, and maintenance of the water facilities which have been conveyed to the City and which the City uses to provide retail utility services to users within the District (see also Note 10). Current year changes to intangible right-to-use capital assets are summarized in the following table:

	November 1, 2024	Increases	Decreases	October 31, 2025
Intangible Right-to-Use Capital Assets Subject to Amortization				
Water Infrastructure	$ - 0 -	$ 8,071,305	$ - 0 -	$ 8,071,305
Accumulated Amortization				
Water Infrastructure	$ - 0 -	$ 27,381	$ - 0 -	$ 27,381
Total Intangible Right-to-Use Capital Assets Net of Accumulated Amortization	$ - 0 -	$ 8,043,924	$ - 0 -	$ 8,043,924

NOTE 6. MAINTENANCE TAX

On November 8, 2022, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. During the year ended October 31, 2025, the District levied an ad valorem maintenance tax rate of $0.75 per $100 of assessed valuation, which resulted in a tax levy of $207,513 on the adjusted taxable valuation of $27,668,350 for the 2025 tax year. Maintenance tax revenues are to be used by the General Fund to pay for any lawfully authorized expenditures of the District.

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 7. 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 the past three years.

NOTE 8. MASTER DISTRICT CONTRACT

Kendall County Water Control and Improvement District No. 4 ("KC WCID 4") has agreed to assume the responsibility of becoming the coordinating district for provision of certain regional services to the area known as George's Ranch (the "Service Area"), which currently consists of two districts, KC WCID 4 and the District (collectively, the "Participant Districts"). KC WCID 4 when acting in this capacity is considered the master district (the "Master District").

The District and the Master District have entered into the Contract for Financing, Operation and Maintenance of Regional Water, Storm Sewer Facilities, Roads, and Fire Protection Facilities, dated June 20, 2022 (the "Master District Contract"). Under the Master District Contract, the Master District is obligated to provide water, storm sewer facilities, roads, and fire protection facilities, necessary to serve the District and any other Participant District. To provide funds necessary to acquire the needed facilities, the Participant Districts are required under the contract to pay connection charges to the Master District in amounts sufficient to enable the Master District to provide such services. The Master District Contract provides for the method of calculating the connection charge and includes separate components for water, storm sewer, roads, and fire protection facilities. Unless terminated by mutual agreement, the Master District Contract will continue until such time as the Master District and the District are annexed into the City of Boerne, Texas for full purposes pursuant to the terms of the Development Agreement.

NOTE 9. UNREIMBURSED COSTS

The District has recorded a payable to its Developer of $17,918,214 for operating advances and completed construction projects. The Developer has incurred additional costs for construction projects which were not complete at year-end as well as payments to the City for utilities, road improvements, capacity fees and other land development costs. The District anticipates reimbursing these costs from future bond sales. Changes in unreimbursed costs during the current fiscal year are summarized in the following table:

Due to Developer, November 1, 2024	$ 35,000
Add: Current Year Additions	17,883,214
Due to Developer, October 31, 2025	$ 17,918,214

NOTE 10. WATER SUPPLY CONTRACT WITH CITY OF BOERNE

The City provides water supply service to the District pursuant to that certain Water Supply Contract by and between the City of Boerne, Texas and Lookout Kendall Ranch, L.P. relating to Kendall County Water Control and Improvement District No. 4 ("Utility Contract"), effective as of October 28, 2020. The City will be the retail service provider of water to the service area, including KC WCID 4 and the District. The Developer and/or District are responsible for designing, acquiring and constructing the water facilities necessary to serve users located within the District. As the water facilities are completed, they will be conveyed to the City for ownership, operation, and maintenance for the benefit of customers within the service area. The City will bill and collect for such services in accordance with the Utility Contract. The Utility Contract will remain in effect until the earlier to occur of: (i) the annexation and dissolution of the District by the City or (ii) the expiration of 25 years from the Effective Date and one 5-year extension mutually agreed upon in writing by the District and the City.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A

REQUIRED SUPPLEMENTARY INFORMATION

OCTOBER 31, 2025

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED OCTOBER 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 10,000	$ -0-	$ (10,000)
EXPENDITURES			
Service Operations:			
Professional Fees	$ 30,000	$ 50,107	$ (20,107)
Contracted Services	4,800	3,234	1,566
Administrative and Other	7,655	10,550	(2,895)
TOTAL EXPENDITURES	$ 42,455	$ 63,891	$ (21,436)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (32,455)	$ (63,891)	$ (31,436)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 32,455	$ 87,000	$ 54,545
NET CHANGE IN FUND BALANCE	$ -0-	$ 23,109	$ 23,109
FUND BALANCE (DEFICIT) - NOVEMBER 1, 2024	(5,669)	(5,669)	
FUND BALANCE - OCTOBER 31, 2025	$ (5,669)	$ 17,440	$ 23,109

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

OCTOBER 31, 2025

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
SERVICES AND LOCATION
FOR THE YEAR ENDED OCTOBER 31, 2025

Location of the District

The District, a political subdivision of the State of Texas, is located in Kendall County, Texas. The District contains approximately 496.6 acres. The District is located entirely within the extraterritorial jurisdiction (the "ETJ") of the City of Boerne, Texas. The District is part of an approximately 1,142-acre master-planned community known as George's Ranch.

Water Supply and Distribution

Pursuant to the Water Supply Contract (see Note 10), the City of Boerne is the retail provider of water service to District residents and the entire George's Ranch development. Treated water supply is surface water sourced from Canyon Reservoir under contract with the Guadalupe-Blanco River Authority (the "GBRA"). The GBRA provides the City treated water which is then provided to George's Ranch. Upon project completion and acceptance by the City, the Master District and/or the District conveys ownership of the water facilities to the City for operation and maintenance. The Water Supply Contract sets forth the water rates and other applicable charges to retail customers within the District.

Wastewater Treatment

Residents of the District are on private septic systems on each lot.

Road, Drainage and Detention Infrastructure

The District is responsible for the ownership, operation and maintenance of roads, drainage, and detention facilities within the District.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED OCTOBER 31, 2025

PROFESSIONAL FEES:		
Engineering	$	10,019
Legal		40,088
TOTAL PROFESSIONAL FEES	$	50,107
CONTRACTED SERVICES:		
Bookkeeping	$	3,234
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	4,520
Insurance		5,726
Travel and Other		304
TOTAL ADMINISTRATIVE EXPENDITURES	$	10,550
TOTAL EXPENDITURES	$	63,891

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED OCTOBER 31, 2025

	Maintenance Taxes	
TAXES RECEIVABLE - NOVEMBER 1, 2024	$	
Adjustments to Beginning Balance		$ -0-
Original 2025 Tax Levy	$ 207,513	
Adjustment to 2025 Tax Levy		207,513
TOTAL TO BE ACCOUNTED FOR		$ 207,513
TAX COLLECTIONS:		
Prior Years	$	
Current Year	1,568	1,568
TAXES RECEIVABLE - OCTOBER 31, 2025		$ 205,945

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED OCTOBER 31, 2025

	2025
PROPERTY VALUATIONS:	
Land	$ 19,949,520
Improvements	7,686,620
Personal Property	32,210
TOTAL PROPERTY VALUATIONS	$ 27,668,350
TAX RATES PER $100 VALUATION -	
Maintenance	$ 0.75
ADJUSTED TAX LEVY*	$ 207,513
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	0.76 %

* 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 $1.00 per $100 of assessed valuation approved by voters on November 8, 2022.

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – ONE YEAR

	Amounts	Percentage of Total Revenue	
	2025	2025	
TOTAL REVENUES	$ - 0 -	N/A	%
EXPENDITURES			
Professional Fees	$ 50,107		%
Contracted Services	3,234		
Administrative and Other	10,550		
TOTAL EXPENDITURES	$ 63,891	N/A	%
DEFICIENCY OF REVENUES UNDER EXPENDITURES	$ (63,891)	N/A	%
OTHER FINANCING SOURCES			
Developer Advances	$ 87,000		
NET CHANGE IN FUND BALANCE	$ 23,109		
BEGINNING FUND BALANCE (DEFICIT)	(5,669)		
ENDING FUND BALANCE	$ 17,440		

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
OCTOBER 31, 2025

District Mailing Address	Kendall County Water Control and Improvement District No. 4A c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP 1330 Post Oak Boulevard, Suite 2650 Houston, TX 77056
District Telephone Number	(713) 850-9000

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended October 31, 2025	Expense Reimbursements for the year ended October 31, 2025	Title
Nova Stephenson	11/22 11/26 (Elected)	$ 884	$ 25	President
Dennis Guerra	11/24 11/28 (Elected)	$ 663	$ 141	Vice President
Mike Pena	11/22 11/26 (Elected)	$ 884	$ -0-	Secretary
Cindy Bachicha	11/22 11/26 (Elected)	$ 884	$ 33	Assistant Secretary
Lulu Bishop	11/24 11/28 (Elected)	$ 884	$ 19	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.

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

See accompanying independent auditor's report.

KENDALL COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4A
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
OCTOBER 31, 2025

Consultants:	Date Hired	Fees for the year ended October 31, 2025	Title
Sanford Kuhl Hagan Kugle Parker Kahn LLP	06/20/22	$ 40,088	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	10/30/25	$ -0-	Auditor
L & S District Services, LLC	06/20/22	$ 3,234	Bookkeeper
Cude Engineering	06/20/22	$ 10,019	Engineer
Robert W. Baird & Co.	06/20/22	$ -0-	Financial Advisor
Debra Loggins	06/20/22	$ -0-	Investment Officer
Utility Tax Services	06/20/22	$ -0-	Tax Assessor/ Collector
Jones-Heroy & Associates	06/20/22	$ -0-	Bond Engineer

See accompanying independent auditor's report.

APPENDIX B

FINANCIAL STATEMENTS OF THE DEVELOPER

Lookout Development Group, L.P.
Balance Sheet
As of December 31, 2025

		Dec 31, 25
ASSETS		
Current Assets		
Checking/Savings		
Cash		
Prosperity #08708461	31,747.34	
Frost #010663107	100.00	
Total Cash		31,847.34
PB LOC Reserve		21,755,416.00
Frost LOC Reserve		22,000,000.00
Total Checking/Savings		43,787,263.34
Other Current Assets		
Due From (To) LOGI		-115,173.96
Due From (To) LBH		-10,567,763.60
Due From (To) LOP		-12,500,655.15
Due From (To) LKR		-2,674,659.90
Due From (To) LOP-TR		-9,442,889.44
Total Other Current Assets		-35,301,142.05
Total Current Assets		8,486,121.29
Fixed Assets		
Land		130,404,401.87
Development Expenditures		
Hard Costs	99,869,181.48	
Soft Costs	5,895,101.65	
Professional Fees	2,549,302.46	
Impact Fee Reimbursements	-1,047,080.39	
Bond Reimbursement	-61,759,102.38	
Development Expenditures - Other	151,135,523.89	
Total Development Expenditures		196,642,926.71
Capitalized Expense		
G & A Costs	4,031,199.26	
Financing Costs	634,095.97	
Property Taxes	5,160,155.27	
Total Capitalized Expense		9,825,450.50
Cost Basis of Sales		-273,495,310.11
Total Fixed Assets		63,377,468.97
TOTAL ASSETS		**71,863,590.26**

Lookout Development Group, L.P.
Balance Sheet
As of December 31, 2025

	Dec 31, 25
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Earnest Money/Deposits Held	4,310,500.00
Total Other Current Liabilities	4,310,500.00
Total Current Liabilities	4,310,500.00
Long Term Liabilities	
Prosperity Bank Line of Credit	21,755,416.00
Frost Bank Line of Credit	22,000,000.00
LBH Note Payable	13,201,014.25
Total Long Term Liabilities	56,956,430.25
Total Liabilities	61,266,930.25
Equity	
Lookout Group Inc. Equity	70,492.26
David K. Gibbs Equity	1,727,074.88
Rowdy Interests LLP Equity	1,727,074.88
Retained Earnings	4,846,807.27
Net Income	2,225,210.72
Total Equity	10,596,660.01
TOTAL LIABILITIES & EQUITY	**71,863,590.26**

APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, 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 Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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 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 AG 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AG 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 AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

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