**OFFICIAL STATEMENT DATED OCTOBER 13, 2026**

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

**The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations" herein.**

NEW ISSUE – Book-Entry-Only NOT RATED

**LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY**

(A Political Subdivision of the State of Texas Located within Kaufman County and Rockwall County)

# $3,205,000
# UNLIMITED TAX UTILITY BONDS
# SERIES 2026

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

**Interest Accrues From: Date of Delivery**

The $3,205,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds"), are obligations of Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District") and are not obligations of the State of Texas; Kaufman County, Texas; the City of McLendon-Chisholm, Texas; or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Kaufman County, Texas; Rockwall County, Texas; the City of McLendon-Chisholm, Texas; 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, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (on or about November 12, 2026) (the "Date of Delivery"), and is payable September 1, 2027, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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

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

The Bonds constitute the first series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"). Voters of the District authorized the issuance of the following unlimited tax bonds: $580,730,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, $513,025,655 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"), $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System. Following the issuance of the Bonds, $577,525,000 principal amount of unlimited tax bonds for Utility System purposes, $513,025,655 principal amount of unlimited tax bonds for Road System purposes, $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District against all taxable property within the District. INVESTMENT IN THE BONDS IS SUBJECT TO SPECIAL RISK FACTORS, INCLUDING A HIGH CONCENTRATION OF OWNERSHIP OF TAXABLE PROPERTY IN THE DISTRICT, AS DESCRIBED HEREIN. SEE "RISK FACTORS."

The Bonds are offered when, as, and if issued by the District and are also offered subject, among other things, to the approval of the Attorney General of Texas and of Coats Rose, P.C., Dallas, Texas, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about November 12, 2026.

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

### $3,205,000 UNLIMITED TAX UTILITY BONDS, SERIES 2026

**$540,000 Serial Bonds**

| Maturity (September 1) | Principal Amount | Interest Rate | Initial Reoffering Yield (a) | CUSIP No. 52327T (b) |
|---|---|---|---|---|
| 2028 | $65,000 | 5.000% | 5.000% | AA1 |
| 2029 | 70,000 | 5.000% | 5.000% | AB9 |
| 2030 | 75,000 | 5.000% | 5.050% | AC7 |
| 2031 | 75,000 | 5.000% | 5.100% | AD5 |
| 2032 | 80,000 | 5.000% | 5.150% | AE3 |
| 2033 (c) | 85,000 | 5.000% | 5.200% | AF0 |
| 2034 (c) | 90,000 | 5.250% | 5.250% | AG8 |

**$2,665,000 Term Bonds**

$195,000 Term Bond due September 1, 2036 (c)(d) Interest Rate: 5.250% (Price: $99.613) (a) CUSIP No. 52327T AJ2 (b)
$345,000 Term Bond due September 1, 2039 (c)(d) Interest Rate: 5.500% (Price: $99.537) (a) CUSIP No. 52327T AM5 (b)
$405,000 Term Bond due September 1, 2042 (c)(d) Interest Rate: 5.500% (Price: $98.951) (a) CUSIP No. 52327T AQ6 (b)
$480,000 Term Bond due September 1, 2045 (c)(d) Interest Rate: 5.750% (Price: $99.422) (a) CUSIP No. 52327T AT0 (b)
$570,000 Term Bond due September 1, 2048 (c)(d) Interest Rate: 6.000% (Price: $100.000) (a) CUSIP No. 52327T AW3 (b)
$670,000 Term Bond due September 1, 2051 (c)(d) Interest Rate: 6.000% (Price: $99.351) (a) CUSIP No. 52327T AZ6 (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, 2033, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on November 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption.*

(d) Subject to certain mandatory sinking fund redemption provisions as set forth 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 the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District, c/o Coats Rose, P.C., 16000 N. Dallas Parkway, Suite 350, Dallas, Texas 75248, upon payment of the costs for duplication thereof.

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 to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District, and to the extent that information actually comes to its attention, other matters described in the Official Statement until delivery of the Bonds to the Initial Purchaser, and thereafter only as specified in "OFFICIAL STATEMENT – Updating the Official Statement."

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

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APPENDIX A Audited Financial Statements of the District

## SALE AND DISTRIBUTION OF THE BONDS

### Award and Marketing 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 Hilltop Securities Inc. (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 CUSIPS" on the inside cover page of this Official Statement, at a price of 97.383535% of the principal amount thereof, which resulted in a net effective interest rate of 5.947289%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

### Prices and Marketability

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

The 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.

### Securities Laws

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

## MUNICIPAL BOND INSURANCE

The District has made applications for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds but did not qualify.

## RATINGS

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

## OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement.

### THE BONDS

| | |
|---|---|
| The District | Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District"), a political subdivision of the State of Texas, is located approximately 29 miles east of downtown Dallas and within the extraterritorial jurisdiction of the City of McLendon-Chisholm, Texas (the "City"), and within Kaufman County, Texas and Rockwall County, Texas. See "THE DISTRICT." |
| The Bonds | The District's $3,205,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds"), are dated November 1, 2026, and mature on September 1 in the years and in the principal amounts as shown on the inside cover page hereof.<br><br>Interest on the Bonds accrues from the initial date of delivery (on or about November 12, 2026) (the "Date of Delivery"), at the rates set forth on the inside cover page hereof, and is payable September 1, 2027, and each March 1 and September 1 thereafter until the earlier of stated maturity or redemption. See "THE BONDS – General." |
| Redemption of the Bonds | *Optional Redemption:* The Bonds maturing on and after September 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or, from time to time, in part, on November 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."<br><br>*Mandatory Redemption:* The Bonds maturing on September 1 in the years 2036, 2039, 2042, 2045, 2048 and 2051 are "Term Bonds" and are subject to certain mandatory sinking fund redemption provisions as set forth 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 tax, without legal limitation as to rate or amount, levied by the District against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Kaufman County, Texas; Rockwall County, Texas; the City; or any entity other than the District. See "THE BONDS – Source of Payment." |
| Authority for Issuance | The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"); Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; the order of the District's Board of Directors authorizing the issuance of the Bonds (the "Bond Order"); and an election held within the boundaries of the District on May 4, 2024. |
| Voted Authorization | At an election on May 4, 2024, voters of the District authorized the District's issuance of a total of $580,730,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"); $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; $513,025,655 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a road system |

to serve the District (the "Road System"); and $769,538,482 principal amount of unlimited tax bonds of the purpose of refunding bonds issued by the District for the Road System.

After the issuance of the Bonds, the following voted authorization will remain authorized but unissued: $577,525,000 principal amount of unlimited tax bonds for the Utility System; $871,095,000 principal amount of unlimited tax refunding bonds for the Utility System; $513,025,655 principal amount of unlimited tax bonds for the Road System; and $769,538,482 principal amount of unlimited tax refunding bonds for the Road System. See "THE BONDS – Authority for Issuance."

Payment Record — The Bonds constitute the first series of unlimited tax bonds issued by the District.

Use of Bond Proceeds — Proceeds from the sale of the Bonds will be used to reimburse the Developer (as defined herein) for the utility improvements and related engineering and land costs as shown herein. Additionally, a portion of the proceeds of the Bonds will be used to pay eighteen (18) months of capitalized interest, Developer interest, and certain costs associated with the issuance of the Bonds. See "THE BONDS – Estimated Use and Distribution of Bond Proceeds"

Qualified Tax-Exempt Obligations — The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Municipal Bond Insurance — The District has made applications for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds but did not qualify. See "MUNICIPAL BOND INSURANCE."

Ratings — The District has not made an application for an underlying rating on the Bonds. See "RATINGS."

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

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

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

District Engineer — SPIARS Engineering and Surveying, Plano, Texas.

Consulting Engineer — Jones-Heroy & Associates, Inc., Dallas, Texas.

Paying Agent/Registrar — BOKF, NA, Dallas, Texas.

## THE DISTRICT

Description — Ledbetter Fresh Water Supply District No. 1 of Kaufman County (the "FWSD") was created by the Kaufman County Commissioners Court on August 24, 2009 under the terms and provisions of Article XVI, Section 59 of the Constitution of the State of Texas, and Chapters 49 and 53 of the Texas Water Code. By election held May 6, 2023, the voters elected to add sanitary sewer and road district powers to the District. The FWSD was converted to a municipal utility district and changed its name to Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District"), and retained all powers and authorizations of the FWSD, pursuant to the TCEQ Order Granting Request for Conversion to Ledbetter Municipal Utility District No. 1 of Kaufman County Commission Order dated August 16, 2023. See "THE DISTRICT."

Authority — The rights, powers, privileges, authority, and functions of the District are established by (i) the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and

| | |
|---|---|
| | 54 of the Texas Water Code; and (ii) Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ. See "THE DISTRICT – General." |
| The Developer/Principal Landowner | Tellus-Mann LLC, a Texas limited liability company ("Tellus-Mann") is the current developer of the land within the District. Tellus-Mann is controlled by Tellus Texas II, LLC and Tellus Texas II, LLC is managed by Tellus-Forney LLC. Tellus-Forney LLC contracts with Tellus Group Operations LLC to manage the project. Tellus Group Operations LLC is under the flagship development company known as Tellus Group LLC ("Tellus Group") which is a real estate investment firm located in Plano, Texas, focused on residential and mixed-use development with a primary focus in master-planned, amenity-rich lifestyle communities. Tellus-Mann has developed or is currently developing all offsites and master infrastructure and continues to own approximately 376.619 acres of undevelopable land within the District. |
| Status of Development | The District consists of approximately 1,018.409 acres and is a part of the master-planned community of "Meraki." To date, approximately 105.10 acres within the District have been developed as 406 total single-family lots in the following residential sections: Phase 1A, Phase 1B, and Phase 1C. As of September 1, 2026, the District included approximately 59 completed homes (approximately 37 occupied, 15 unoccupied, and 7 model homes); approximately 31 homes under construction; and approximately 316 vacant developed lots. In addition there is an amenity center being developed on approximately 4.326 acres and an elementary school to be developed on approximately 10.707 acres. The school district has not yet purchased the land for the proposed elementary school, but when purchased the land owned by the school will not be subject to taxation by the District. There are approximately 521.657 acres of undeveloped but developable land and approximately 376.619 acres of undevelopable land in the District. See "DEVELOPMENT OF THE DISTRICT – Status of Development within the District." |
| Homebuilders Within the District | Homebuilders active in the District include Bloomfield Homes, Highland Homes, Perry Homes, Westfield Homes and American Legend Homes. The homes being marketed in the District range in price from approximately $340,000 to $700,000 and range in size from approximately 1,250 square feet to 6,000 square feet. See "STATUS OF DEVELOPMENT – Homebuilders within the District." |

## RISK FACTORS

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

**SELECTED FINANCIAL INFORMATION**
**(UNAUDITED)**

| | | | |
|---|---|---|---|
| 2026 Taxable Assessed Valuation | $ | 27,287,676 | (a) |
| Estimated Valuation as of September 1, 2026 | $ | 54,233,840 | (b) |
| Direct Debt: | | | |
| The Bonds | $ | 3,205,000 | |
| Total | $ | 3,205,000 | |
| Estimated Overlapping Debt | $ | 3,509,841 | (c) |
| Total Direct and Estimated Overlapping Debt | $ | 6,714,841 | (c) |
| Direct Debt Ratio: | | | |
| As a percentage of the 2026 Taxable Assessed Valuation | | 11.75 | % |
| As a percentage of the Estimate of Value as of September 1, 2026 | | 5.91 | % |
| Direct and Estimated Overlapping Debt Ratio: | | | |
| As a percentage of the 2026 Taxable Assessed Valuation | | 24.61 | % |
| As a percentage of the Estimate of Value as of September 1, 2026 | | 12.38 | % |
| Utility System Debt Service Fund Balance (as of Date of Delivery) | $ | 271,069 | (d) |
| General Operating Fund Balance (as of September 8, 2026) | $ | 84,324 | (e) |
| 2026 Tax Rates | | | |
| Utility System Debt Service | | $0.000 | |
| Road System Debt Service | | $0.000 | |
| Maintenance & Operation | | $1.000 | |
| Total | | $1.000 | (f) |
| Average Annual Debt Service Requirement on the Bonds (2027–2051) | $ | 246,225 | (g) |
| Maximum Annual Debt Service Requirement on the Bonds (2046) | $ | 254,400 | (g) |
| Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Requirement (2027–2051) at 95% Tax Collections: | | | |
| Based on the 2026 Taxable Assessed Valuation | | $0.95 | |
| Based on the Estimate of Value as of September 1, 2026 | | $0.48 | |
| Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Requirement (2046) at 95% Tax Collections: | | | |
| Based on the 2026 Taxable Assessed Valuation | | $0.99 | |
| Based on the Estimate of Value as of September 1, 2026 | | $0.50 | |

(a) Certified taxable assessed value of all taxable property within the District as of January 1, 2026, provided by the Appraisal District (hereinafter defined). See "TAX DATA" and "TAXING PROCEDURES."

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

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

(d) Represents eighteen (18) months of capitalized interest to be deposited into the Utility System Debt Service Fund (defined herein) upon closing of the Bonds. Neither Texas law nor the Bond Order require that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the Road System.

(e) See "RISK FACTORS – Operating Funds."

(f) See "TAX DATA – Tax Rate Calculations."

(g) See "DISTRICT DEBT – Debt Service Requirements."

**OFFICIAL STATEMENT**

**relating to**

**LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY**

**(a political subdivision of the State of Texas, located within Kaufman County and Rockwall County)**

**$3,205,000**
**UNLIMITED TAX UTILITY BONDS**
**SERIES 2026**

## INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District") of its $3,205,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"); Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; the order of the District's Board of Directors authorizing the issuance of the Bonds (the "Bond Order"); and an election held within the boundaries of the District on May 4, 2024.

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order. This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

## RISK FACTORS

### General

The Bonds are obligations of the District and are not obligations of the State of Texas; Kaufman County, Texas; Rockwall County, Texas; the City of McLendon-Chisholm, Texas (the "City"); or any political subdivision other than the District. The Bonds are secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District upon all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the single-family residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed 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 development industry in the Dallas-Fort Worth metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. New construction can also be affected by energy availability and costs, including oil and gasoline prices, upon which the Texas economy is heavily dependent. Decreased levels of such construction activity would restrict the growth of property values in the District. The real estate market is currently experiencing a slowing of new home sales and closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market may impact the timing of lot and home sales in the District. The District cannot predict the pace or magnitude of any future development in the District. See "STATUS OF DEVELOPMENT."

*Dependence on Major Taxpayers and the Developer:* As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers as of January 1, 2026, owned approximately 99.79% of the assessed value of property located in the District. In addition, the Developer (hereinafter defined) and homebuilders collectively owned approximately 98.63% of the assessed value of property located in the District as of January 1, 2026. If the Developers or other principal taxpayers were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability

of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service funds. See "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Levy and Collection of Taxes."

*Developer's Obligations to the District:* There is no commitment by or legal requirement of the Developer, the Principal Landowner, or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any owner of property to proceed at any particular pace with the construction of homes or commercial improvements in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and result in higher tax rates.

*Maximum Impact on District Tax Rate:* 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 within the District to pay their taxes. The taxable assessed valuation as of January 1, 2026, of all taxable property located within the District is $27,287,676 and the Estimate of Value as of September 1, 2026, is $54,233,840. See "TAX DATA." After issuance of the Bonds, the maximum annual debt service requirement on the Bonds (2046) will be $254,400, and the average annual debt service requirement on the Bonds (2027–2051) will be $246,225. Assuming no decrease to the District's taxable assessed valuation as of January 1, 2026, debt service tax rates of $0.99 and $0.95 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 decrease from the Estimate of Value as of September 1, 2026, debt service tax rates of $0.50 and $0.48 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. See "DISTRICT DEBT – Debt Service Requirements" and "TAX DATA – Tax Rate Calculations."

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District.

*Vacant Developed Lots*: As of September 1, 2026, approximately 316 developed single-family residential lots within the District remained available for construction. Failure of the Developer and/or homebuilders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by homebuilders. The District makes no representation that the lot sales and building program will be successful.

**Operating Funds**

The District has levied a total tax rate in 2026 consisting of all maintenance tax in the amount of $1.00 per $100 of taxable assessed valuation. The District expects to levy its initial debt service tax in 2027. The District's unaudited General Fund balance as of OCTOBER 13, 2026 was $84,324. The revenue produced from the 2026 maintenance tax rate or a reduced 2027 maintenance tax rate [and water and sewer services] may not be sufficient to offset the operating expenses of the District. Continued maintenance of a positive Operating Fund balance may depend upon (1) cash subsidies from the Developer, and (2) continued development and increased amounts of maintenance tax revenue. If funds from these sources are not forthcoming, the District would have to increase its maintenance tax rate. Such an increase may result in a total District tax rate excess of similar developments and could adversely affect the continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. See " – Dependence on Major Taxpayers and the Developer" herein and "THE DEVELOPER."

**Increase in Costs of Building Materials and Labor Shortages**

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the Developer or homebuilders in the District to estimate costs. The federal administration's

immigration policies may additionally impact the State's workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the Developer' ability to construct utility and road facilities homebuilders' ability to construct homes within the District. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. 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.

**Tax Collections and Foreclosure Remedies**

The District's ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. See "TAXING PROCEDURES – District's Rights in the Event of Tax Delinquencies."

Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "TAX DATA – Estimated Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property after foreclosure). Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer.

**Registered Owners' Remedies**

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

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

**Bankruptcy Limitation to Registered Owners' Rights**

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

authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

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

The District may not be placed into bankruptcy involuntarily.

**Future Debt**

At an election held within the District on May 4, 2024, voters of the District authorized the District's issuance of $580,730,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, $513,025,655 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"), $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds constitute the first series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing the Utility System. Following the issuance of the Bonds, $577,525,000 principal amount of unlimited tax bonds for Utility System purposes, $513,025,655 principal amount of unlimited tax bonds for Road System purposes, $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued.

Following the issuance of the Bonds, the District will owe the Developer approximately $19,891,770 for expenditures to construct the Utility System on behalf of the District. Following the reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately $1,403,368 for expenditures to construct the Road System. Such expenditures are expected to increase as development continues within the District.

Based on present engineering costs estimates and on development plans supplied by the Developer, in the opinion of the Engineer (hereinafter defined), following the reimbursement to the Developer with the proceeds of the Bonds, the remaining principal amount of authorized but unissued bonds will be sufficient to fully reimburse the Developer for the existing facilities and to finance the water, sewer and drainage facilities and roads necessary to serve the remaining undeveloped but developable land within the District.

Additional bonds may hereafter be approved by the voters of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt to property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

**Marketability of the Bonds**

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

**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 – Tax Exemption."

**Future and Proposed Legislation**

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

**Approval of the Bonds**

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

**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.

**Environmental Regulations**

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

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

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

*Air Quality Issues*. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the Dallas-Fort Worth area. Under the Clean Air Act ("CAA") Amendments of 1990, a ten-county Dallas-Fort Worth area ("2008 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties – has been designated a "severe" nonattainment area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), with an attainment year of 2026. The "severe" nonattainment classification provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

Further, a nine-county Dallas-Fort Worth area ("2015 DFW Area") – Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Tarrant, and Wise Counties was designated a "serious" nonattainment area under the eight-hour ozone standard of 70 ppb promulgated by the EPA in 2015 (the "2015 Ozone Standard"), effective July 22, 2024. The requirements for an area designated as "serious" vary and establish several attainment deadlines ranging from January 1, 2026 to January 1, 2028, with such deadlines applicable to specific requirements of the EPA's final action.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the 2008 and 2015 DFW Areas setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the 2008 and 2015 DFW Areas to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the area's economic growth and development. As a result of the DFW Area's reclassification, the TCEQ must submit revisions of the SIP to the EPA no later than January 1, 2026, addressing the "serious" nonattainment classification.

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

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

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts or other types of special purpose 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 or other types of special purpose districts must comply may have an impact on the special purpose district's ability to obtain and maintain compliance with TPDES permits.

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

practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts and other types of special purpose 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, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

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 that the land and improvements in the District will not sustain damage from such natural disasters.

**Cybersecurity**

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

## THE BONDS

**General**

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order. A copy of the Bond Order may be obtained from the District upon request to Coats Rose, P.C., Dallas, Texas, Bond Counsel. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds are dated November 1, 2026. Interest on the Bonds accrues from the initial date of delivery (on or about November 12, 2026) (the "Date of Delivery"), and is payable on September 1, 2027, and each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds mature on September 1 of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover page hereof.

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

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

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day without additional interest and with the same force and effect as if made on the specified date for such payment.

**Book-Entry-Only System**

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the 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 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 is discontinued.

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

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

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

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

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

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

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

*Use of Certain Terms in Other Sections of this Official Statement*

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to registered owners should be read to include the person for which the DTC 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.

**Paying Agent/Registrar**

The Board has selected BOKF, NA, Dallas, Texas as the initial Paying Agent/Registrar for the Bonds. The initial designated payment office for the Bonds is located in Dallas, Texas. Provision is made in the Bond Order for removal of the Paying Agent/Registrar, provided that no such removal shall be effective until a successor paying agent/registrar shall have accepted the duties of the Paying Agent/Registrar under the provisions of the Bond Order. Any successor paying agent/registrar selected by the District shall be 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, shall have a combined capital and surplus of at least $50,000,000, shall be subject to supervision or examination by federal or state authority, shall be registered as a transfer agent with the SEC and shall have a corporate trust office in the State of Texas.

**Record Date**

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

**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 or other governmental charges 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 Bonds 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 the 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 of the same series and in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See " – 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.

**Mutilated, Lost, Stolen or Destroyed Bonds**

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

**Authority for Issuance**

The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"); Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; the order of the District's Board of Directors authorizing the issuance of the Bonds (the "Bond Order"); and an election held within the boundaries of the District on May 4, 2024.

**Source of Payment**

The Bonds are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of interest on the Bonds, with full allowance being made for delinquencies, cost of collections, and certain fees. See "TAXING PROCEDURES." Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "RISK FACTORS." The Bonds are obligations solely of the District and are not obligations of the State of Texas; Kaufman County, Texas; Rockwall County, Texas; the City; or any political subdivision or entity other than the District.

**Payment Record**

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

**Redemption Provisions**

*Optional Redemption:* The Bonds maturing on and after September 1, 2033, shall be subject to redemption at the option of the District, in whole or from time to time in part, on November 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by a random selection method in integral multiples of $5,000 within any one series and maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond of the same series in the principal amount equal to the portion of such Bond not redeemed.

*Mandatory Redemption:* The Bonds maturing on September 1 in the years 2036, 2039, 2042, 2045, 2048 and 2051 are term bonds (the "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:

$195,000 Term Bonds Maturing on September 1, 2036

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2035 | $ 95,000 |
| September 1, 2036 (Maturity) | $ 100,000 |

$345,000 Term Bonds Maturing on September 1, 2039

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2037 | $ 110,000 |
| September 1, 2038 | $ 115,000 |
| September 1, 2039 (Maturity) | $ 120,000 |

$405,000 Term Bonds Maturing on September 1, 2042

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2040 | $ 130,000 |
| September 1, 2041 | $ 135,000 |
| September 1, 2042 (Maturity) | $ 140,000 |

$480,000 Term Bonds Maturing on September 1, 2045

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2043 | $ 150,000 |
| September 1, 2044 | $ 160,000 |
| September 1, 2045 (Maturity) | $ 170,000 |

$570,000 Term Bonds Maturing on September 1, 2048

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2046 | $ 180,000 |
| September 1, 2047 | $ 190,000 |
| September 1, 2048 (Maturity) | $ 200,000 |

$670,000 Term Bonds Maturing on September 1, 2051

| Mandatory Redemption Date | Principal Amount |
|---|---|
| September 1, 2049 | $ 210,000 |
| September 1, 2050 | $ 225,000 |
| September 1, 2051 (Maturity) | $ 235,000 |

The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the direction of the District, by the principal amount of any Term Bonds of such maturity which, at least thirty (30) days prior to a Mandatory Redemption Date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the District with monies in the applicable debt service fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirements.

**Issuance of Additional Debt**

At an election held within the District on May 4, 2024, voters of the District authorized the District's issuance of $580,730,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, $513,025,655 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"), $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds constitute the first series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing the Utility System. Following the issuance of the Bonds, $577,525,000 principal amount of unlimited tax bonds for Utility System purposes, $513,025,655 principal amount of unlimited tax bonds for Road System purposes, $871,095,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System and $769,538,482 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System will remain authorized but unissued.

Following the issuance of the Bonds, the District will owe the Developer approximately $19,891,770 for expenditures to construct the Utility System on behalf of the District. Following the reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately $1,403,368 for expenditures to construct the Road System. Such expenditures are expected to increase as development continues within the District.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Bonds issued for water, sewer, and drainage purposes are required to be approved by the TCEQ.

The amount of bonds issued and the remaining authorized but unissued bonds following the issuance of the Bonds are summarized below:

| Election Date | Purpose | Amount Authorized | Issued to Date | Remaining Unissued |
|---|---|---|---|---|
| 05/04/2024 | Utility System | $580,730,000 | $3,205,000 [(a)] | $577,525,000 |
| 05/04/2024 | Road System | $513,025,655 | - | $513,025,655 |
| 05/04/2024 | Utility System Refunding | $871,095,000 | - | $871,095,000 |
| 05/04/2024 | Road System Refunding | $769,538,482 | - | $769,538,482 |

(a) The Bonds.

**Amendments to the Bond Order**

The District may, without the consent of or notice to any Registered Owners, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give

any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

**No Arbitrage**

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

**Annexation**

Chapter 42, Texas Local Government Code, provides that, within the limits described therein, the unincorporated area contiguous to the corporate limits of any municipality comprises that municipality's extraterritorial jurisdiction ("ETJ"). The size of an ETJ depends in part on the municipality's population. With certain exceptions, a municipality may annex territory only within the confines of its ETJ. When a municipality annexes additional territory, the municipality's ETJ expands in conformity with such annexation.

The District lies within the extraterritorial jurisdiction of the City of McLendon-Chisholm, Texas. As such, under existing law, the District may be annexed for full purposes by the respective city without the District's consent, subject to compliance by the respective city with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is annexed, the respective city must assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the respective city is a policy-making matter within the discretion of the Mayor and City Council of the respective city, and therefore, the District makes no representation that the respective city will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

**Consolidation**

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

**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 or payment (paying agent) for obligations of the District payable from revenues or from ad valorem taxes or both, or a commercial bank or trust company designated in the proceedings authorizing such discharge amounts sufficient to provide for payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the

United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book-entry form and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

**Funds**

The Bond Order establishes the Utility System Debt Service Fund, the District's fund for debt service on the Bonds. Eighteen (18) months of capitalized interest on the Bonds will be deposited into the Utility System Debt Service Fund at closing, which constitutes a fund for the benefit of the owners of the Bonds. Such fund will be kept separate from all other funds of the District and is to be used solely for payment of debt service on the Bonds. Amounts on deposit in the Utility 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 to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

**Registered Owners' Remedies**

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

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

**Legal Investment and Eligibility to Secure Public Funds in Texas**

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

> (a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.
>
> (b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the

bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.

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

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

**Estimated Use and Distribution of Bond Proceeds**

Proceeds from the sale of the Bonds will be used to reimburse the Developer for the Utility System improvements and associated rights-of-way costs set out below. Proceeds of the Bonds will also be used to pay eighteen (18) months of capitalized interest on the Bonds, developer interest, and other costs of issuance associated with the Bonds.

| **Construction Costs** | Amount |
|---|---|
| A. High Point SUD Water Facility Improvements | $ 2,124,006 |
| **Total Construction Costs** | **$** 2,124,006 |
| | |
| **Non-Construction Costs** | |
| A. Legal Fees | $ 95,125 |
| B. Financial Advisor Fees | 64,100 |
| C. Interest Cost | |
| 1. Capitalized Interest (18 Months) | 271,069 |
| 2. Developer Interest | 309,567 |
| D. Bond Discount | 83,857 |
| E. Bond Issuance Expenses | 50,294 |
| F. Bond Engineering Report | 45,000 |
| G. Operating Expenses | 125,110 |
| H. Market Study | 8,000 |
| I. Attorney General Fee (0.10% or a maximum of $9,500) | 3,205 |
| J. TCEQ Bond Issuance Fee | 8,013 |
| K. Contingency (a) | 17,654 |
| **Total Non-Construction Costs** | **$** 1,080,994 |
| | |
| **TOTAL ROAD BOND ISSUANCE** | **$ 3,205,000** |

(a) Represents the difference between actual and allotted Bond Discount and Capitalized Interest.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ, where required. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

## THE DISTRICT

**General**

Ledbetter Fresh Water Supply District No. 1 of Kaufman County (the "FWSD") was created by the Kaufman County Commissioners Court on August 24, 2009 under the terms and provisions of Article XVI, Section 59 of the Constitution of the State of Texas, and Chapters 49 and 53 of the Texas Water Code. By election held May 6, 2023, the voters elected to add sanitary sewer and road district powers to the District. The FWSD was converted to a municipal utility district and changed its name to Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District"), and retained all powers and authorizations of the FWSD, pursuant to a Commission Order dated August 16, 2023. The District was created and converted for the purposes of: (i) providing, operating, and maintaining facilities to control storm water, distributing potable water, and collecting and treating wastewater and (ii) constructing, maintaining, or operating road projects. The District

contains approximately 1,018.409 total acres and is located partially within Kaufman County, Texas and partially within Rockwall County, Texas, entirely within Forney Independent School District, and within the extraterritorial jurisdiction of the City of McLendon-Chisholm, Texas.

**Description**

The District is located in partially within Kaufman County and Rockwall County approximately 29 miles east of downtown Dallas, and within the Town of McLendon-Chisholm's extraterritorial jurisdiction. The District is bound by Mann Road on the north, FM 548 to the east, and Calvert Road to the west.

**Management of the District**

The District is governed by a Board of five directors and has control over, management, and supervision of all affairs of the District. All of the Directors own property within the District. All directors serve four-year staggered terms:

| Name | Position | Term Expires May |
|---|---|---|
| William Scott Shipp | President | 2028 |
| Chrissy Ball | Vice President | 2028 |
| Mary Ann Moon | Secretary | 2030 |
| Twyla Beckham | Assistant Secretary | 2030 |
| Kevin Greene | Assistant Secretary | 2030 |

The District does not have any employees but contracts for certain necessary services as described below:

*Tax Assessor/Collector*: The District's Tax Assessor/Collector is the Kaufman County Tax Office.

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

*Utility System Operator*: The District's operator is Inframark.

*Auditor*: As required by the Texas Water Code, the District has engaged 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.

*District Engineer*: The District's engineer is SPIARS Engineering and Surveying (the "Engineer").

*Consulting Engineer*: The consulting engineer consulting on the Bonds is Jones-Heroy & Associates, Inc. (the "Consulting Engineer")

*Bond Counsel*: Coats Rose, P.C. ("Bond Counsel") serves as bond counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Coats Rose, P.C. serves as general counsel to the District on matters other than the issuance of bonds.

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

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

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## STATUS OF DEVELOPMENT

The District consists of approximately 1,018.409 acres and is a part of the master-planned community of "Meraki." To date, approximately 105.10 acres within the District have been developed as 406 total single-family lots in the following residential sections: Phase 1A, Phase 1B, and Phase 1C. As of September 1, 2026, the District included approximately 59 completed homes (approximately 37 occupied, 15 unoccupied, and 7 model homes); approximately 31 homes under construction; and approximately 316 vacant developed lots. In addition there is an amenity center being developed on approximately 4.326 acres and an elementary school to be developed on approximately 10.707 acres. The school district has not yet purchased the land for the proposed elementary school, but when purchased the land owned by the school will not be subject to taxation by the District. There are approximately 521.657 acres of undeveloped but developable land and approximately 376.619 acres of undevelopable land in the District.

### Status of Development within the District

The following is a summary of the status of construction of single-family housing within the District as of September 1, 2026:

| Subdivision | Acreage | Section Lots | Homes Completed | Homes Under Construction | Vacant Lots [a] |
|---|---|---|---|---|---|
| Meraki, Phase 1A & 1B | 86.428 | 313 | 55 | 28 | 230 |
| Meraki, Phase 1C | 18.672 | 93 | 4 | 3 | 86 |
| Total | 105.100 | 406 | 59 | 31 | 316 |

| | |
|---|---|
| Residential Developed | 105.100 |
| Future Elementary School | 10.707 |
| Amenity Center | 4.326 |
| Undevelopable | 376.619 |
| Remaining Developable | 521.657 |
| District Total | 1,018.409 |

(a) See "RISK FACTORS – Vacant Developed Lots."

### Homebuilders within the District

Homebuilders active in the District include Bloomfield Homes, Highland Homes, Perry Homes, Westfield Homes and American Legend Homes. The homes being marketed in the District range in price from approximately $340,000 to $700,000 and range in size from approximately 1,250 square feet to 6,000 square feet.

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**PHOTOGRAPHS TAKEN WITHIN THE DISTRICT**

**(September 2026)**

















**PHOTOGRAPHS TAKEN IN THE DISTRICT**

**(September 2026)**

















## THE DEVELOPER/PRINCIPAL LANDOWNER

### The Role of a Developer

In general, the activities of a developer in a municipal utility district, such as the District, include the following: acquiring the land within the district, designing the subdivision, the utilities and streets to be constructed in the subdivision, and 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; and selling improved lots and commercial reserves to builders and other developers or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to 30% of the cost of constructing certain water, wastewater and drainage facilities in a municipal utility district. The relative success or failure of a developer to perform such activities in the development of property within a municipal utility district may have a profound effect on the security of the bonds issued by a district. A developer is generally under no obligation to a municipal utility district to develop the property that it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a municipal utility district.

### The Developer/Principal Landowners

Tellus-Mann LLC, a Texas limited liability company ("Tellus-Mann") is the current developer of the land within the District. Tellus-Mann is controlled by Tellus Texas II, LLC and Tellus Texas II, LLC is managed by Tellus-Forney LLC. Tellus-Forney LLC contracts with Tellus Group Operations LLC to manage the project. Tellus Group Operations LLC is under the flagship development company known as Tellus Group LLC ("Tellus Group") which is a real estate investment firm located in Plano, Texas, focused on residential and mixed-use development with a primary focus in master-planned, amenity-rich lifestyle communities. Tellus-Mann has developed or is currently developing all offsites and master infrastructure and continues to own approximately 376.619 acres of undevelopable land within the District.

Tellus-Mann is a single-purpose entity formed for the purpose of developing land it owns in the District. The District makes no representation as to the likelihood of the planned development to occur or the pace at which the planned development might occur. Tellus-Mann is a thinly capitalized corporation whose assets consist primarily of the land within the District and receivables due from the District for development costs. Tellus-Mann has net revenues. Neither Tellus-Mann nor any affiliated company is responsible for, is liable for or has made any commitment for payment of the Bonds or other obligations of the District, the description of financial arrangements herein should not be construed as an implication to that effect. Neither Tellus-Mann nor any affiliated company has any legal commitment to the District or to owners of the Bonds to continue development of the land within the District and Tellus-Mann may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the financial condition of Tellus-Mann is subject to change at any time. Because of the foregoing, financial information concerning Tellus-Mann will neither be updated nor provided following issuance of the Bonds, except as described herein under "CONTINUING DISCLOSURE INFORMATION." See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments – *Dependence on Taxpayers and Developers*."

### Development Financing

Tellus-Mann, LLC entered into a residential development loan agreement with First Continental for $45,000,000 on January 17, 2025, and an extension was exercised to extend the loan's maturity date to January 17, 2027. The current outstanding principal balance is $1,000. The interest rate is 4.50% per annum plus the current Prime Rate.

Tellus-Mann, LLC entered into a loan agreement with Orix Public Finance, LLC for $22,000,000 on May 4, 2026. The maturity date for that loan is May 4, 2031, with the ability to extend through May 4, 2033. The outstanding principal balance on the loan is $22,000,000. The interest rate is 9.50% with a minimum interest payment of $2,600,000. The Developer is currently in compliance with all terms of the loans.

### Lot-Sales Contracts

The Developer has entered into lot-sales contracts with each of Bloomfield Homes, Highland Homes, Perry Homes, Westfield Homes and American Legend Homes. The contracts for the sale of lots with the builders require that earnest money be deposited with a title company, typically 25% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with the earnest money deposit

being returned to the builders pro rata with the purchase of each lot until the last lot is purchased. Generally, a developer's sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit.

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

| Homebuilder | Total Lots Contracted | Total Lots Purchased |
|---|---|---|
| Bloomfield Homes | 60 | 60 |
| Highland Homes | 134 | 77 |
| Perry Homes | 118 | 89 |
| Westfield Homes | 31 | 31 |
| American Legend Homes | 63 | 63 |
| Totals | 406 | 320 |

## THE UTILITY SYSTEM AND THE ROAD SYSTEM

### Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ and the City. According to the Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

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

### Water Supply

Water supply for the District is provided by the High Point Special Utility District ("HPSUD") pursuant to the Non-Standard Service Contract for Water Service (the "Agreement"). The Developer is required to fund all necessary water improvements to the Agreement for HPSUD to serve the District. Phase 1 of the required water facilities is complete and the pump station upgrade is under construction. The remaining share of water facility improvements will be funded with future bond proceeds. In consideration of the funding of the water facilities, the HPSUD will not charge water reservation or connection charges. The water supply will be capable of serving the District's ultimate projected build out of 2,628 ESFCs,

### Wastewater Treatment

Wastewater treatment for the District is provided by the District's own wastewater treatment plant. The WWTP operates under Permit WQ0014858001, currently operating at 0.125 mgd for a capacity of 450 ESFCs with planned phase expansions to serve the ultimate buildout of 2,625.

### Drainage

The District primarily drains to the east into Big Brushy Creek, which eventually outfall into the Cedar Creek Reservoir. Rainwater flows to curb and gutter streets to an underground storm sewer collection system to ponds before eventually flowing into Brushy Creek.

### 100 Year Flood Plain

According to the Federal Emergency Management Agency Map Panel No. 48257C0050D dated July 3, 2012, approximately 315.965 acres within the District are located in the 100-year flood plain. In addition to FEMA floodplain, other portions of the district are undevelopable due to easements, ROW, and wildlife regulations. These areas will be reclaimed and developed to the extent feasible; however, much of the area will remain undevelopable as shown in the summary below.

## THE ROAD SYSTEM

All roads inside the District will be curbed and paved with reinforced concrete. Collector roads will connect the neighborhoods inside the District and provide main access to and from the District. The District will own and maintain the interior roads within the District.

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## DISTRICT DEBT

| | | | |
|---|---|---|---|
| 2026 Taxable Assessed Valuation | $ | 27,287,676 | (a) |
| Estimated Valuation as of September 1, 2026 | $ | 54,233,840 | (b) |
| Direct Debt: | | | |
| The Bonds | $ | 3,205,000 | |
| Total | $ | 3,205,000 | |
| Estimated Overlapping Debt | $ | 3,509,841 | (c) |
| Total Direct and Estimated Overlapping Debt | $ | 6,714,841 | (c) |
| Direct Debt Ratio: | | | |
| As a percentage of the 2026 Taxable Assessed Valuation | | 11.75 | % |
| As a percentage of the Estimate of Value as of September 1, 2026 | | 5.91 | % |
| Direct and Estimated Overlapping Debt Ratio: | | | |
| As a percentage of the 2026 Taxable Assessed Valuation | | 24.61 | % |
| As a percentage of the Estimate of Value as of September 1, 2026 | | 12.38 | % |
| Utility System Debt Service Fund Balance (as of Date of Delivery) | $ | 271,069 | (d) |
| General Operating Fund Balance (as of OCTOBER 13, 2026) | $ | 84,324 | |
| 2026 Tax Rates | | | |
| Utility System Debt Service | | $0.000 | |
| Road System Debt Service | | $0.000 | |
| Maintenance & Operation | | $1.000 | |
| Total | | $1.000 | (e) |
| Average Annual Debt Service Requirement on the Bonds (2027–2051) | $ | 246,225 | (f) |
| Maximum Annual Debt Service Requirement on the Bonds (2046) | $ | 254,400 | (f) |
| Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Requirement (2027–2051) at 95% Tax Collections: | | | |
| Based on the 2026 Taxable Assessed Valuation | | $0.95 | |
| Based on the Estimate of Value as of September 1, 2026 | | $0.48 | |
| Combined Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Requirement (2046) at 95% Tax Collections: | | | |
| Based on the 2026 Taxable Assessed Valuation | | $0.99 | |
| Based on the Estimate of Value as of September 1, 2026 | | $0.50 | |

(a) Certified taxable assessed value of all taxable property within the District as of January 1, 2026, provided by the Appraisal District (hereinafter defined). See "TAX DATA" and "TAXING PROCEDURES."

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

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

(d) Represents eighteen (18) months of capitalized interest to be deposited into the Utility System Debt Service Fund (defined herein) upon closing of the Bonds. Neither Texas law nor the Bond Order require that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the Road System.

(e) See "TAX DATA – Tax Rate Calculations."

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

**Direct and Estimated Overlapping Debt Statement**

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or Texas Municipal Reports prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

| Taxing Jurisdiction | Outstanding Debt 9/30/2026 | Overlapping Percent | Overlapping Amount |
|---|---|---|---|
| Kaufman County | $ 200,305,000 | 0.09% | $ 185,750 |
| Rockwall County | 161,570,000 | 0.13% | 203,130 |
| Forney Independent School District | 1,260,154,911 | 0.25% | 3,153,266 |
| Total Estimated Overlapping Debt | | | $ 3,509,841 |
| Direct Debt (a) | | | $ 3,205,000 |
| Total Direct and Estimated Overlapping Debt (a) | | | $ 6,714,841 |

(a) Includes the Bonds.

**Debt Ratios**

| | |
|---|---|
| Direct Debt Ratio (a): | |
| As a percentage of the 2026 Taxable Assessed Valuation | 11.75 % |
| As a percentage of the Estimate of Value as of September 1, 2026 | 5.91 % |
| Direct and Estimated Overlapping Debt Ratio (a): | |
| As a percentage of the 2026 Taxable Assessed Valuation | 24.61 % |
| As a percentage of the Estimate of Value as of September 1, 2026 | 12.38 % |

(a) Includes the Bonds.

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**Debt Service Requirement Schedule**

The following schedule sets forth the annual principal and interest requirements of the Bonds.

| Calendar Year | Principal | Interest | Debt Service |
|---|---|---|---|
| 2027 | $ – | $ 145,072 | $ 145,072 |
| 2028 | 65,000 | 180,713 | 245,713 |
| 2029 | 70,000 | 177,463 | 247,463 |
| 2030 | 75,000 | 173,963 | 248,963 |
| 2031 | 75,000 | 170,213 | 245,213 |
| 2032 | 80,000 | 166,463 | 246,463 |
| 2033 | 85,000 | 162,463 | 247,463 |
| 2034 | 90,000 | 158,213 | 248,213 |
| 2035 | 95,000 | 153,488 | 248,488 |
| 2036 | 100,000 | 148,500 | 248,500 |
| 2037 | 110,000 | 143,250 | 253,250 |
| 2038 | 115,000 | 137,200 | 252,200 |
| 2039 | 120,000 | 130,875 | 250,875 |
| 2040 | 130,000 | 124,275 | 254,275 |
| 2041 | 135,000 | 117,125 | 252,125 |
| 2042 | 140,000 | 109,700 | 249,700 |
| 2043 | 150,000 | 102,000 | 252,000 |
| 2044 | 160,000 | 93,375 | 253,375 |
| 2045 | 170,000 | 84,175 | 254,175 |
| 2046 | 180,000 | 74,400 | 254,400 |
| 2047 | 190,000 | 63,600 | 253,600 |
| 2048 | 200,000 | 52,200 | 252,200 |
| 2049 | 210,000 | 40,200 | 250,200 |
| 2050 | 225,000 | 27,600 | 252,600 |
| 2051 | 235,000 | 14,100 | 249,100 |
| Total | $ 3,205,000 | $ 2,950,622 | $6,155,622 |

Average Annual Debt Service Requirements on the Bonds (2027–2051)..... $246,225
Maximum Annual Debt Service Requirement on the Bonds (2046)..... $254,400

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## TAXING PROCEDURES

### Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and for the payment of certain contractual obligations. The District levied a total tax of $1.00 per $100 of assessed valuation for the 2026 tax year, composed entirely of a maintenance and operations tax rate. See "TAX DATA – Tax Rate Limitation."

### Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code"), specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Appraisal District. The Kaufman Central Appraisal District (the "Kaufman CAD") and Rockwall Central Appraisal District ("Rockwall CAD" and together with Kaufman CAD, the "Appraisal Districts") has the responsibility of appraising property for all taxing units within Kaufman County, including the District. Such appraisal values will be subject to review and change by the Kaufman Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

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

Although the District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The appraisal district is governed by a board of directors elected by the governing bodies of the county and all cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district. The Property Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of future reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

**Property Subject to Taxation by the District**

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

Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent allowed by law. The disabled veteran exemption ranges between $5,000 and $12,000, depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption of the full value of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action 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 service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

**Residential Homestead Exemption**

The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by July 1. The District has not adopted a general homestead exemption.

**Valuation of Property for Taxation**

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

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

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

**Disaster Exemption**

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.

**Notice and Hearing Procedures**

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

**Rollback of Operation and Maintenance Tax Rate**

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

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

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

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

*The District:* A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board on an annual basis. For the 2026 tax year, the District was classified as a Developing District by the Board. The District cannot give any assurances as to what its classification will be at

any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

**District and Taxpayer Remedies**

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

**Tax Abatement**

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

**Levy and Collection of Taxes**

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

Taxes are due September 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas Law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

**District's Rights in the Event of Tax Delinquencies**

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt

or lien existed before the attachment of the tax lien, however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

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

## TAX DATA

### General

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds, and any future tax-supported bonds which may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes for operation and maintenance purposes. The District levied a total tax of $1.00 per $100 of assessed valuation for the 2026 tax year, composed entirely of a maintenance and operations tax rate.

### Tax Rate Limitation

| | |
|---|---|
| Utility System Debt Service: | Unlimited (no legal limit as to rate or amount). |
| Road System Debt Service: | Unlimited (no legal limit as to rate or amount). |
| Maintenance: | $1.00 per $100 of assessed valuation. |

### Debt Service Taxes

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. The District intends to levy its first debt service tax rate in 2027.

### Maintenance Taxes

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. In 2026, the District levied a maintenance tax of $1.00 per $100 of assessed valuation.

### Tax Exemption

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

### Additional Penalties

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

(for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

**Historical Tax Collections**

The following table illustrates the collection history of the District for the 2024 through 2026 tax years:

| Tax Year | Certified Taxable Value | Tax Rate (a) | Adjusted Tax Levy | Collections Current Year | Current Year Ending 9/30 | Collections 7/31/2026 |
|---|---|---|---|---|---|---|
| 2024 (a) | $ 211,110 | $1.000 | $ 2,111 | 100.00% | 2025 | 100.00% |
| 2025 | 1,161,625 | 1.000 | 11,616 | 100.00% | 2026 | 100.00% |
| 2026 | 27,287,676 | 1.000 | 272,877 | (b) | 2027 | (b) |

(a) The District levied its first tax rate for the 2024 tax year.
(b) In process of collections.

**Tax Rate Distribution**

| | 2026 | 2025 | 2024 |
|---|---|---|---|
| Road System Debt Service | $ – | $ – | $ – |
| Utility System Debt Service | – | – | – |
| Maintenance and Operations | 1.000 | 1.000 | 1.000 |
| Total | $1.000 | $1.000 | $ 1.000 |

**Analysis of Tax Base**

The following table illustrates the District's total taxable assessed value in the 2023 through 2026 tax years by type of property.

| Type of Property | 2026 Assessed Valuation | 2025 Assessed Valuation | 2024 Assessed Valuation | 2023 Assessed Valuation |
|---|---|---|---|---|
| Land | $ 30,351,456 | $ 6,916,229 | $ 7,789,390 | $ 7,842,722 |
| Improvements | 3,715,537 | 60,000 | 62,000 | 57,053 |
| Personal Property | 21,154 | - | - | - |
| Exemptions | (6,800,471) | (5,814,604) | (7,640,280) | (7,700,557) |
| Total | $ 27,287,676 | $ 1,161,625 | $ 211,110 | $ 199,218 |

**Principal Taxpayers**

The following are the principal taxpayers in the District as shown on the Appraisal District's original certification of the appraisal rolls for the 2026 tax year. The values and percentages below are subject to adjustment due to supplemental certifications of the 2026 appraisal rolls by the Appraisal District.

| Taxpayer | Type of Property | Assessed Valuation 2026 Tax Roll | Percent of 2026Tax Roll |
|---|---|---|---|
| Tellus-Mann LLC (a) | Land & Improvements | $ 8,883,594 | 32.70% |
| Bloomfield Homes LP (b) | Land & Improvements | 4,671,097 | 17.12% |
| Highland Homes Dallas LLC (b) | Land & Improvements | 4,449,858 | 16.31% |
| American Legend Homes LLC (b) | Land & Improvements | 3,626,562 | 13.29% |
| Perry Homes LLC (b) | Land & Improvements | 3,507,625 | 12.85% |
| Meraki Owner LLC (b)(c) | Land & Improvements | 1,736,000 | 6.36% |
| Homeowner | Land & Improvements | 148,704 | 0.54% |
| Homeowner | Land & Improvements | 56,000 | 0.21% |
| Homeowner | Land & Improvements | 56,000 | 0.21% |
| Homeowner | Land & Improvements | 56,000 | 0.21% |
| Total | | $ 27,230,286 | 98.63% |

(a) See "THE DEVELOPER/PRINCIPAL LANDOWNER" herein.
(b) See "STATUS OF DEVELOPMENT – Homebuilders within the District" herein.
(c) Development entity for Westfield Homes, LLC.

**Tax Rate Calculations**

The tax rate calculations set forth below are presented to indicate the debt service tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the taxable assessed valuation as of January 1, 2026 ($27,287,676), or the Estimate of Value as of September 1, 2026 ($54,233,840). The calculations assume collection of 95% of taxes levied, the sale of the Bonds but not the sale of any additional bonds by the District.

Maximum Annual Debt Service Requirement (2046) ..... $254,400
Debt Service Tax Rate of $0.99 on the 2026 Taxable Assessed Valuation produces ..... $409,588
Debt Service Tax Rate of $0.50 on the Estimate of Value as of September 1, 2026 produces ..... $408,493

Average Annual Debt Service Requirement (2027–2051) ..... $246,225
Debt Service Tax Rate of $0.95 on the 2026 Taxable Assessed Valuation produces ..... $399,219
Debt Service Tax Rate of $0.48 on the Estimate of Value as of September 1, 2026 produces ..... $401,326

**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 – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2026 taxes levied by such jurisdictions per $100 of assessed valuation. 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.

*- Kaufman County Portion -*

| Taxing Jurisdiction | 2026 Tax Rate |
|---|---|
| The District (a) | $1.000000 |
| Kaufman County | $0.334478 |
| Kaufman County Road and Bridge | $0.080635 |
| Forney Independent School District | $1.286900 |
| Kaufman County ESD No. 6 | $0.049245 |
| Total Tax Rate | $2.751258 |

*- Rockwall County Portion -*

| Taxing Jurisdiction | 2026 Tax Rate |
|---|---|
| The District (a) | $1.000000 |
| Rockwall County | $0.262000 |
| Rockwall Independent School District | $1.066900 |
| Total Tax Rate | $2.328900 |

## LEGAL MATTERS

**Legal Opinions**

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel that, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and are payable from annual ad valorem taxes, which

are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. The legal opinion will further state that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions as described below under "TAX MATTERS." The legal opinion of Bond Counsel will be printed on the Bonds, if certificated Bonds are issued. Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Disclosure Counsel.

**No Material Adverse Change**

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

**No-Litigation Certificate**

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

## TAX MATTERS

**Tax Exemption**

On the date of initial delivery of the Bonds, Coats Rose, P.C., Dallas, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, except that such interest is taken into account in determining the annual adjusted financial statement of income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986 (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations, and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

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

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

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

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

**Federal Income Tax Accounting Treatment of Original Issue Discount**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds is not equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (1) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (2) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

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

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

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

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

**Collateral Federal Income Tax Consequences**

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

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income,

foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

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

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

**Qualified Tax-Exempt Obligations**

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty percent (20%) as a "financial institution preference item."

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code.

## CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for SEC Rule 15c2-12 (the "Rule") (d)(2) exemption from SEC Rule (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 specified material 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 the MSRB annually. The information and data to be updated include all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement in "APPENDIX A."

The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2027. Any financial statements provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

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 a 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 headings "TAX DATA," and with respect to the Developer, the information found under "TAX DATA – Principal Taxpayers." The District will be obligated to provide information concerning the Developer and any such other 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 tax 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 the District facilities or debt in an amount which exceeds 20% of the amount of the District's bonds then outstanding.

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 events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The terms "material" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under federal securities laws. Neither the Bonds nor the Bond Order make any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the

Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under " – Annual Reports."

**Availability of Information**

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

**Limitations and Amendments**

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

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

**Compliance with Prior Undertakings**

The Bonds are the District's first issuance of unlimited tax bonds; therefore, the District has not previously entered into any continuing disclosure agreements in accordance with SEC Rule 15c2-12.

## OFFICIAL STATEMENT

**General**

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

The District's audited financial statements for the year ended October 31, 2025, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, 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.

**Experts**

The information contained in this Official Statement relating to development and the status of development within the District generally and, in particular, the information in the section captioned "THE DEVELOPER/PRINCIPAL LANDOWNER" and "STATUS OF DEVELOPMENT" has been provided by the Developer and has been included herein in reliance upon the authority and knowledge of such party concerning the matters described therein.

The information contained in this Official Statement relating to engineering and to the description of the Utility System and the Road System, and, in particular, that engineering information included in the sections entitled "THE BONDS", "THE DISTRICT" and "THE UTILITY SYSTEM AND THE ROAD SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

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

**Certification as to Official Statement**

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

**Updating the Official Statement**

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

*[Remainder of Page Intentionally Left Blank]*

## CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements, and other sources that 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.

/s/ William Scott Shipp

President, Board of Directors
Ledbetter Municipal Utility District No. 1 of Kaufman County

ATTEST:

/s/ Mary Ann Moon
Secretary, Board of Directors
Ledbetter Municipal Utility District No. 1 of Kaufman County

**APPENDIX A**

**FINANCIAL STATEMENTS OF THE DISTRICT**

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY

**KAUFMAN 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
Ledbetter Municipal Utility District
No. 1 of Kaufman County
Kaufman County, Texas

**Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Ledbetter Municipal Utility District No. 1 of Kaufman County (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.

Board of Directors
Ledbetter Municipal Utility District No. 1 of Kaufman County

**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

May 5, 2026

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## MANAGEMENT'S DISCUSSION AND ANALYSIS
## FOR THE YEAR ENDED OCTOBER 31, 2025

Management's discussion and analysis of the financial performance of Ledbetter Municipal Utility District No. 1 of Kaufman County (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 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 $421,681 as of October 31, 2025.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

| | Summary of the Statement of Net Position |
|---|---|
| | 2025 |
| Current and Other Assets | $ 108,664 |
| Capital Assets, Net | 27,195,580 |
| Total Assets | $ 27,304,244 |
| Due to Developer | $ 27,696,636 |
| Other Liabilities | 17,673 |
| Total Liabilities | $ 27,714,309 |
| Deferred Inflows of Resources | $ 11,616 |
| Net Position - | |
| Net Investment in Capital Assets | $ (214,716) |
| Unrestricted | (206,965) |
| Total Net Position | $ (421,681) |

The following table provides a summary of the District's financial activities for the year ending October 31, 2025.

| | Summary of the Statement of Activities |
|---|---|
| | 2025 |
| Revenues: | |
| Property Taxes | $ 2,092 |
| Inspection Fees | 34,800 |
| Total Revenues | $ 36,892 |
| Total Expenses | 297,874 |
| Change in Net Position | $ (260,982) |
| Net Position, Beginning of Year | (160,699) |
| Net Position, End of Year | $ (421,681) |

## FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The General Fund fund balance increased by $94,074, primarily due to developer advances, property tax revenues, and inspection fees which exceeded professional fees, contracted services, inspection fees and administrative and other costs during the year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were $36,892 more than budgeted revenues, actual expenditures were $7,385 more than budgeted expenditures and developer advances were $64,567 more than budgeted. This resulted in a positive budget variance of $94,074. For additional information, see the budget to actual comparison.

## CAPITAL ASSETS

Roads, sewer infrastructure, and drainage infrastructure are operated and maintained by the District. Water service is provided to users located within the District by High Point Special Utility District ("High Point"). High Point has accepted responsibility for the ownership, operations, and maintenance of the water infrastructure which is constructed by the developer on behalf of the District (see Notes 5 and 9). The District is obligated to reimburse the Developer for such construction costs, as discussed in Note 7. The District records water infrastructure as intangible right-to-use capital assets in its financial statements.

Capital assets as of October 31, 2025, totaled $27,195,580 net of accumulated depreciation and consisted of the following:

Capital Assets At Year-End

| | 2025 |
|---|---|
| Capital Assets Subject to Depreciation: | |
| Roads | $ 8,053,180 |
| Water Infrastructure | 10,467,136 |
| Sewer Infrastructure | 4,184,931 |
| Drainage Infrastructure | 4,705,049 |
| Less Accumulated Depreciation | (214,716) |
| Total Net Capital Assets | $ 27,195,580 |

## 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 Ledbetter Municipal Utility District No. 1 of Kaufman County, c/o Coats Rose P.C., 16000 North Dallas Parkway, Suite 350, Dallas, Texas 77548.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## STATEMENT OF NET POSITION AND
## GOVERNMENTAL FUND BALANCE SHEET
## OCTOBER 31, 2025

| | General Fund | Adjustments | Statement of Net Position |
|---|---|---|---|
| **ASSETS** | | | |
| Cash | $ 30,708 | $ | $ 30,708 |
| Property Taxes Receivable | 11,616 | | 11,616 |
| Lease Deposits | 54,540 | | 54,540 |
| Other | 11,800 | | 11,800 |
| Capital Assets (Net of Accumulated Depreciation) | | 27,195,580 | 27,195,580 |
| **TOTAL ASSETS** | $ 108,664 | $ 27,195,580 | $ 27,304,244 |
| **LIABILITIES** | | | |
| Accounts Payable | $ 17,673 | $ | $ 17,673 |
| Due to Developer | | 27,696,636 | 27,696,636 |
| **TOTAL LIABILITIES** | $ 17,673 | $ 27,696,636 | $ 27,714,309 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Property Taxes | $ 11,616 | $ -0- | $ 11,616 |
| **FUND BALANCE** | | | |
| Nonspendable - Prepaid Costs | $ 66,340 | $ (66,340) | $ |
| Unassigned | 13,035 | (13,035) | |
| **TOTAL FUND BALANCE** | $ 79,375 | $ (79,375) | $ -0- |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE** | $ 108,664 | | |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | | $ (214,716) | $ (214,716) |
| Unrestricted | | (206,965) | (206,965) |
| **TOTAL NET POSITION** | | $ (421,681) | $ (421,681) |

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

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
## TO THE STATEMENT OF NET POSITION
## OCTOBER 31, 2025

| | | |
|---|---|---|
| Total Fund Balance - Governmental Fund | $ | 79,375 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets are recorded in governmental activities but not in governmental funds. | | 27,195,580 |
| 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 | | (27,696,636) |
| Total Net Position - Governmental Activities | $ | (421,681) |

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

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## 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 |
|---|---|---|---|
| **REVENUES** | | | |
| Property Taxes | $ 2,092 | $ | $ 2,092 |
| Inspection Fees | 34,800 | | 34,800 |
| **TOTAL REVENUES** | $ 36,892 | $ - 0 - | $ 36,892 |
| **EXPENDITURES/EXPENSES** | | | |
| Service Operations: | | | |
| Professional Fees | $ 56,712 | $ | $ 56,712 |
| Contracted Services | 4,115 | | 4,115 |
| Inspection Fees | 11,500 | | 11,500 |
| Depreciation | | 214,716 | 214,716 |
| Administrative and Other | 10,831 | | 10,831 |
| **TOTAL EXPENDITURES/EXPENSES** | $ 83,158 | $ 214,716 | $ 297,874 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES** | $ (46,266) | $ (214,716) | $ (260,982) |
| **OTHER FINANCING SOURCES** | | | |
| Developer Advances | $ 140,340 | $ (140,340) | $ -0- |
| **NET CHANGE IN FUND BALANCE** | $ 94,074 | $ (94,074) | $ |
| **CHANGE IN NET POSITION** | | (260,982) | (260,982) |
| **FUND BALANCE (DEFICIT)/NET POSITION - NOVEMBER 1, 2024** | (14,699) | (146,000) | (160,699) |
| **FUND BALANCE/NET POSITION - OCTOBER 31, 2025** | $ 79,375 | $ (501,056) | $ (421,681) |

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

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## 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 | $ | 94,074 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Depreciation of capital assets is recorded in the Statement of Activities. | | (214,716) |
| Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability. | | (140,340) |
| Change in Net Position - Governmental Activities | $ | (260,982) |

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

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## NOTES TO THE FINANCIAL STATEMENTS
## OCTOBER 31, 2025

### NOTE 1. CREATION OF DISTRICT

Ledbetter Fresh Water Supply District No. 1 of Kaufman County was duly created pursuant to an Order dated August 24, 2009 by Kaufman County Commissioners Court, as a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution and operating pursuant to Chapters 49 and 53 of the Texas Water Code. At an election held May 6, 2023, Ledbetter Fresh Water Supply District No. 1 of Kaufman County assumed the rights, authority, privileges, and functions of a road district pursuant to Section 53.029 of the Texas Water Code and acquired sewer powers pursuant to 53.121 of the Texas Water Code. By Order of the Texas Commission on Environmental Quality ("TCEQ") dated August 16, 2023, Ledbetter Fresh Water Supply District No. 1 of Kaufman County was converted to a municipal utility district named Ledbetter Municipal Utility District No. 1 of Kaufman County (the "District") operating pursuant to Chapters 49 and 54 of the Texas Water Code, but retained its road powers under Section 53.029 of the Texas Water Code.

The District is subject to the continuing supervision of the TCEQ. The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; and roads located inside its boundaries. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District held its organizational meeting on October 6, 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. 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.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Financial Statement Presentation (Continued)

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 and are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position. The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Governmental 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 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 revenues 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. Property taxes considered available by the District and included in revenue include the 2024 tax levy collections. The 2025 tax levy has been fully deferred to cover fiscal year end 2026 operations.

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the Statement of Activities. Additions and improvements that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated using the straight-line method of depreciation ranging between 20 and 45 years.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Capital Assets (Continued)

Roads, sewer infrastructure, and drainage infrastructure are operated and maintained by the District. Water service is provided to users located within the District by High Point Special Utility District. High Point has accepted responsibility for the ownership, operations, and maintenance of the water infrastructure which is constructed by the developer on behalf of the District. The District records water infrastructure as intangible right-to-use capital assets in its financial statements.

Budgeting

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

Pensions

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

Measurement Focus

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

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.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus (Continued)

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

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

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

*Unassigned*: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

## NOTE 3. BOND AUTHORIZATION

At an election held on May 4, 2024, the voters of the District authorized a bond capacity of $580,730,000 for utility facilities, $871,095,000 for utility refunding bonds, $513,025,655 for road facilities, and $769,538,482 for refunding road bonds. As of October 31, 2025, the District has not issued any 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 $30,708 and the bank balance was $39,320. The District was not exposed to custodial credit risk at year-end.

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 did not own investments.

## NOTE 5. CAPITAL ASSETS

Roads, sewer infrastructure, and drainage infrastructure are operated and maintained by the District. Water service is provided to users located within the District by High Point Special Utility District. High Point has accepted responsibility for the ownership, operations, and maintenance of the water infrastructure which is constructed by the developer on behalf of the District. The District records water infrastructure as intangible right-to-use capital assets in its financial statements.

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 | $ | $ 8,053,180 | $ | $ 8,053,180 |
| Water Infrastructure (Right-to-use) | | 10,467,136 | | 10,467,136 |
| Sewer Infrastructure | | 4,184,931 | | 4,184,931 |
| Drainage Infrastructure | | 4,705,049 | | 4,705,049 |
| **Total Capital Assets Subject to Depreciation** | $ - 0 - | $ 27,410,296 | $ - 0 - | $ 27,410,296 |
| **Accumulated Depreciation** | | | | |
| Roads | $ | $ 17,651 | $ | $ 17,651 |
| Water Infrastructure (Right-to-use) | | 177,039 | | 177,039 |
| Sewer Infrastructure | | 9,427 | | 9,427 |
| Drainage Infrastructure | | 10,599 | | 10,599 |
| **Total Accumulated Depreciation** | $ - 0 - | $ 214,716 | $ - 0 - | $ 214,716 |
| **Total Depreciable Capital Assets, Net of Accumulated Depreciation** | $ - 0 - | $ 27,195,580 | $ - 0 - | $ 27,195,580 |

## NOTE 6. MAINTENANCE TAX

On May 6, 2023, 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 $1.00 per $100 of assessed valuation, which resulted in a tax levy of $11,616 on the adjusted taxable valuation of $1,161,625 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.

## NOTE 6. MAINTENANCE TAX (Continued)

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. UNREIMBURSED COSTS

The District has entered into financing and reimbursement agreements which provide for developers to make payments on behalf of the District for various projects and operating advances. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the developers. The following table summarizes current fiscal year activity:

| | |
|---|---|
| Due to Developer, November 1, 2024 | $ 146,000 |
| Add: Current Year Additions | 27,550,636 |
| Due to Developer, October 31, 2025 | $ 27,696,636 |

## NOTE 8. RISK MANAGEMENT

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

## NOTE 9. NON-STANDARD SERVICE CONTRACT FOR WATER SERVICE

Pursuant to the Non-Standard Service Contract effective September 18, 2023, between the developer and High Point Special Utility District ("High Point"), the developer requested High Point to provide water service to the District through an extension of High Point's water system. The developer is responsible for costs and construction of the water system extension and once complete, it is conveyed to High Point for ownership, operation and maintenance. In exchange, High Point will provide water service to customers within the District on a retail basis in the same manner and at the same rates as High Point provides service to its customers. High Point will be solely responsible for the billing and collecting for water services provided to customers within the District.

## NOTE 10. WASTEWATER TREATMENT PLANT LEASE

On April 16, 2025, the District entered into an equipment lease agreement for a wastewater treatment plant facility. The lease includes a five-year noncancelable term with automatic extensions for one-year periods until such time as lessor terminates or District exercises purchase option. The first month and last month's payments were due when the lease was signed and were paid by the developer on behalf of the District. As of October 31, 2025, this is recognized as a lease deposit of $54,540. Lease payments start on the commencement date which is when the wastewater treatment plant is substantially complete as supported by commencement letter provided by Lessor to the District. As of October 31, 2025, the wastewater treatment plant was still under construction.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION

## OCTOBER 31, 2025

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## 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 | $ | $ 2,092 | $ 2,092 |
| Inspection Fees | | 34,800 | 34,800 |
| **TOTAL REVENUES** | $ -0- | $ 36,892 | $ 36,892 |
| **EXPENDITURES** | | | |
| Service Operations: | | | |
| Professional Fees | $ 60,000 | $ 56,712 | $ 3,288 |
| Contracted Services | 4,000 | 4,115 | (115) |
| Inspection Fees | | 11,500 | (11,500) |
| Administrative and Other | 11,773 | 10,831 | 942 |
| **TOTAL EXPENDITURES** | $ 75,773 | $ 83,158 | $ (7,385) |
| **DEFICIENCY OF REVENUES UNDER EXPENDITURES** | $ (75,773) | $ (46,266) | $ 29,507 |
| **OTHER FINANCING SOURCES** | | | |
| Developer Advances | $ 75,773 | $ 140,340 | $ 64,567 |
| **NET CHANGE IN FUND BALANCE** | $ -0- | $ 94,074 | $ 94,074 |
| **FUND BALANCE (DEFICIT) - NOVEMBER 1, 2024** | (14,699) | (14,699) | |
| **FUND BALANCE - OCTOBER 31, 2025** | $ (14,699) | $ 79,375 | $ 94,074 |

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**OCTOBER 31, 2025**

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## SERVICES AND RATES
## FOR THE YEAR ENDED OCTOBER 31, 2025

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

| | | | | | |
|---|---|---|---|---|---|
| ____ | Retail Water | ____ | Wholesale Water | X | Drainage |
| X | Retail Sewer | ____ | Wholesale Wastewater | ____ | Irrigation |
| ____ | Parks/Recreation | ____ | Fire Protection | ____ | Security |
| ____ | Solid Waste/Garbage | ____ | Flood Control | X | Roads |

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

____ Other (specify): _____

### 2. RETAIL SERVICE PROVIDERS

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

The following rates are based on the rate order approved October 28, 2025.

| | Minimum Charge | Minimum Usage | Flat Rate Y/N | Rate per 1,000 Gallons over Minimum Use | Usage Levels |
|---|---|---|---|---|---|
| WATER: | N/A* | | | | |
| WASTEWATER: | $ 24.00 | N/A | Y | $3,50 | 0 - 8,000 gallons |
| | | | | $4.25 | 8,001 - 12,000 gallons |
| | | | | $5.25 | 12,001 - 15,000 gallons |
| | | | | $6.25 | 15,000 gallons or more |
| SURCHARGE: Regulatory Assessments | 0.50% of sewer bill | | | | |

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

Total monthly charges per 10,000 gallons usage: Water: N/A Wastewater: $60.50 Surcharge: $0.30

*Water service is provided by High Point Special Utility District; see Note 9.

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## SERVICES AND RATES
## FOR THE YEAR ENDED OCTOBER 31, 2025

**2. RETAIL SERVICE PROVIDERS** (Continued)

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

| Meter Size | Total Connections | Active Connections | ESFC Factor | Active ESFCs |
|---|---|---|---|---|
| Unmetered | | | x 1.0 | |
| ≤¾" | | | x 1.0 | |
| 1" | | | x 2.5 | |
| 1½" | | | x 5.0 | |
| 2" | | | x 8.0 | |
| 3" | | | x 15.0 | |
| 4" | | | x 25.0 | |
| 6" | | | x 50.0 | |
| 8" | | | x 80.0 | |
| 10" | | | x 115.0 | |
| Total Water | N/A* | N/A* | | N/A* |
| Total Wastewater | 28 | 6 | x 1.0 | 6 |

**3. TOTAL WATER CONSUMPTION DURING THE YEAR ROUNDED TO THE NEAREST THOUSAND: ***

*Water service is provided by High Point Special Utility District, see Note 9.

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## SERVICES AND RATES
## FOR THE YEAR ENDED OCTOBER 31, 2025

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

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

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Kaufman County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

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

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of McLendon Chisholm, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## GENERAL FUND EXPENDITURES
## FOR THE YEAR ENDED OCTOBER 31, 2025

| | | |
|---|---|---|
| PROFESSIONAL FEES - | | |
| Legal | $ | 56,712 |
| CONTRACTED SERVICES - | | |
| Bookkeeping | $ | 4,115 |
| ADMINISTRATIVE EXPENDITURES: | | |
| Director Fees, Including Payroll Taxes | $ | 5,438 |
| Insurance | | 3,126 |
| Meetings, Website and Other | | 2,267 |
| TOTAL ADMINISTRATIVE EXPENDITURES | $ | 10,831 |
| OTHER EXPENDITURES - | | |
| Inspection Fees | $ | 11,500 |
| TOTAL EXPENDITURES | $ | 83,158 |

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## TAXES LEVIED AND RECEIVABLE
## FOR THE YEAR ENDED OCTOBER 31, 2025

| | Maintenance Taxes | |
|---|---|---|
| TAXES RECEIVABLE - NOVEMBER 1, 2024 | $ 2,092 | |
| Adjustments to Beginning Balance | | $ 2,092 |
| Original 2025 Tax Levy | $ 11,616 | |
| Adjustment to 2025 Tax Levy | | 11,616 |
| TOTAL TO BE ACCOUNTED FOR | | $ 13,708 |
| TAX COLLECTIONS: | | |
| Prior Years | $ 2,092 | |
| Current Year | | 2,092 |
| TAXES RECEIVABLE - OCTOBER 31, 2025 | | $ 11,616 |
| TAXES RECEIVABLE BY YEAR: | | |
| 2025 | | $ 11,616 |

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## TAXES LEVIED AND RECEIVABLE
## FOR THE YEAR ENDED OCTOBER 31, 2025

| | 2025 |
|---|---|
| PROPERTY VALUATIONS - | $ 1,161,625 |
| TAX RATES PER $100 VALUATION - | |
| Maintenance | $ 1.00 |
| ADJUSTED TAX LEVY* | $ 11,616 |
| PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED | 0.00 % |

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

Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation approved by voters on May 6, 2023.

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
## GENERAL FUND - ONE YEAR

| | Amounts | Percentage of Total Revenues |
|---|---|---|
| | 2025 | 2025 |
| **REVENUES** | | |
| Property Taxes | $ 2,092 | 5.7 % |
| Inspection Fees | 34,800 | 94.3 |
| **TOTAL REVENUES** | $ 36,892 | 100.0 % |
| **EXPENDITURES** | | |
| Professional Fees | $ 56,712 | 153.6 % |
| Contracted Services | 4,115 | 11.2 |
| Inspection Fees | 11,500 | 31.2 |
| Administrative and Other | 10,831 | 29.4 |
| **TOTAL EXPENDITURES** | $ 83,158 | 225.4 % |
| **DEFICIENCY OF REVENUES UNDER EXPENDITURES** | $ (46,266) | (125.4) % |
| **OTHER FINANCING SOURCES** | | |
| Developer Advances | $ 140,340 | |
| **NET CHANGE IN FUND BALANCE** | $ 94,074 | |
| **BEGINNING FUND BALANCE (DEFICIT)** | (14,699) | |
| **ENDING FUND BALANCE** | $ 79,375 | |
| **TOTAL ACTIVE RETAIL WATER CONNECTIONS** | N/A* | |
| **TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS** | 6 | |

*Water service is provided by High Point Special Utility District; see Note 9.

See accompanying independent auditor's report.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1 OF KAUFMAN COUNTY
## BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
## OCTOBER 31, 2025

| | |
|---|---|
| District Mailing Address | Ledbetter Municipal Utility District No. 1 of Kaufman County<br>c/o Coats Rose, P.C.<br>16000 North Dallas Parkway, Suite 350<br>Dallas, TX 75548 |
| District Telephone Number | (972) 788-1600 |

| **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 |
|---|---|---|---|---|
| William Scott Shipp | 05/24<br>05/28<br>(Elected) | $ 1,105 | $ -0- | President |
| Chrissy Ball | 05/24<br>05/28<br>(Elected) | $ 1,326 | $ 209 | Vice President |
| Mary Ann Moon | 05/22<br>05/26<br>(Elected) | $ 884 | $ 206 | Secretary |
| Kevin Greene | 05/22<br>05/26<br>(Elected) | $ -0- | $ -0- | Assistant Secretary |
| Twyla Beckham | 07/25<br>05/26<br>(Appointed) | $ 1,105 | $ 228 | 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 most recent submission date of the District Registration Form was on October 28, 2025.

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.

# LEDBETTER MUNICIPAL UTILITY DISTRICT NO. 1
# OF KAUFMAN COUNTY
## BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
## OCTOBER 31, 2025

| **Consultants:** | Date Hired | Fees for the year ended October 31, 2025 | Title |
|---|---|---|---|
| Coats Rose, P.C. | 10/06/22 | $ 56,712 | General Counsel |
| McCall Gibson Swedlund Barfoot Ellis PLLC | 03/03/26 | $ -0- | Auditor |
| L & S District Services, LLC | 10/06/22 | $ 4,359 | Bookkeeper |
| Spiars Engineering & Surveying | 10/06/22 | $ -0- | Engineer |
| Inframark, LLC | 10/28/25 | $ -0- | Operator |
| Robert W. Baird & Co. | 02/03/23 | $ -0- | Financial Advisor |
| Debra Loggins | 10/06/22 | $ -0- | Investment Officer |

See accompanying independent auditor's report.