OFFICIAL STATEMENT DATED OCTOBER 22, 2026

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS HAVE **NOT** BEEN DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE - Book-Entry-Only

Insured Rating (BAM): S&P "AA" (stable outlook)
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$3,575,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
(A political subdivision of the State of Texas located within Harris County)
UNLIMITED TAX ROAD BONDS, SERIES 2026A

Dated Date: November 1, 2026 **Due: August 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the bonds described above (the "Bonds") will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar," "Paying Agent" or "Registrar") in Houston, Texas. Interest on the Bonds will accrue from the date of initial delivery (expected to be on or about November 20, 2026) (the "Date of Delivery") and be payable on August 1, 2027 and on each February 1 and August 1 thereafter until the earlier of stated maturity or redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiples thereof. The Bonds are subject to redemption prior to maturity as shown below.

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 directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "BOOK-ENTRY-ONLY SYSTEM."



The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM" or the "Insurer"). See "MUNICIPAL BOND INSURANCE" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (August 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (August 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2028	$ 55,000		7.500 %	3.750 %	41430W GK3	2041	$ 100,000	(c)	5.000 %	4.930 %	41430W GY3
2029	55,000		7.500	3.800	41430W GL1	2042	105,000	(c)	5.000	5.000	41430W GZ0
2030	60,000		7.500	3.900	41430W GM9	2043	110,000	(c)	5.125	5.060	41430W HA4
2031	65,000		7.500	4.000	41430W GN7	2044	120,000	(c)	5.125	5.125	41430W HB2
2032	65,000		7.500	4.100	41430W GP2	2045	125,000	(c)	5.250	5.180	41430W HC0
2033	70,000	(c)	7.500	4.200	41430W GQ0	2046	130,000	(c)	5.250	5.250	41430W HD8
2034	70,000	(c)	7.500	4.300	41430W GR8	2047	135,000	(c)	5.250	5.300	41430W HE6
2035	75,000	(c)	7.375	4.400	41430W GS6	2048	145,000	(c)	5.250	5.340	41430W HF3
2036	80,000	(c)	5.000	4.500	41430W GT4	2049	150,000	(c)	5.250	5.370	41430W HG1
2037	85,000	(c)	5.000	4.600	41430W GU1	2050	250,000	(c)	5.250	5.400	41430W HH9
2038	90,000	(c)	5.000	4.700	41430W GV9	2051	250,000	(c)	5.375	5.410	41430W HJ5
2039	90,000	(c)	5.000	4.800	41430W GW7	2052	500,000	(c)	5.375	5.420	41430W HK2
2040	95,000	(c)	5.000	4.870	41430W GX5	2053	500,000	(c)	5.375	5.430	41430W HL0

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

(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

(c) Bonds maturing on or after August 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 August 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding obligations of Harris County Municipal Utility District No. 547 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. The Bonds are subject to special investment risks described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about November 20, 2026.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, upon payment of duplication costs.

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

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

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

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement.

THE BONDS

The Issuer	Harris County Municipal Utility District No. 547 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas. See "THE DISTRICT."
The Issue	$3,575,000 Unlimited Tax Road Bonds, Series 2026A (the "Bonds") are issued pursuant to a resolution (the "Bond Resolution") of the District's Board of Directors (the "Board") and are authorized pursuant to an election held within the District on November 2, 2021. See "THE BONDS—Authority for Issuance." The Bonds will be issued as fully registered bonds maturing in the years and in the amounts and paying interest at the rates shown on the cover hereof. Interest on the Bonds accrues from the Date of Delivery and is payable on August 1, 2027, and on each February 1 and August 1 thereafter until the earlier of stated maturity or prior redemption. See "THE BONDS."
Redemption	Bonds maturing on or after August 1, 2033, are subject to redemption, in whole or in part, at the option of the District, prior to their maturity dates, on August 1, 2032, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. See "THE BONDS."
Source of and Security for Payment	The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. See "TAX PROCEDURES." The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any other political subdivision or agency other than the District. See "THE BONDS—Source of and Security for Payment."
Payment Record	The District has previously issued $23,445,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities in three series and $24,300,000 principal amount of unlimited tax bonds for road facilities in three series, $46,940,000 of which collectively remains outstanding (the "Outstanding Bonds") as of the date hereof. The Bonds are the District's fourth issuance of unlimited tax bonds for road facilities. The District capitalized twelve (12) months of interest from the $12,500,000 Unlimited Tax Bonds, Series 2026 (the "Series 2026 Bonds") in August 2026 and will capitalize twelve (12) months of interest from proceeds of the Bonds. The District has never defaulted on its debt obligations. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
Future Debt	The District anticipates selling additional bonds in the future. The District has authorized the preparation and submittal of a bond application to the Texas Commission on Environmental Quality (the "TCEQ") requesting approval to sell approximately $8,000,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities. The District expects TCEQ approval and issuance of such bonds in the third quarter of 2027. See "THE BONDS—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."
Use of Proceeds	Proceeds from the Bonds will be used to pay for items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, proceeds of the Bonds will also be used to capitalize twelve (12) months of interest, to pay Developer interest, and to pay certain costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
Not Qualified Tax-Exempt Obligations	The Bonds have not been designated "qualified tax-exempt obligations" for financial institutions.

Municipal Bond Rating and Municipal Bond Insurance..... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") is expected to assign a municipal bond insured rating of "AA" (stable outlook) to the Bonds with the understanding that, upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM" or the "Insurer"). The District has not applied for an underlying investment grade rating on the Bonds nor is it expected that the District would have been successful if such application had been made. An explanation of the rating may be obtained from S&P. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

Authority for Issuance..... At the District's bond election held on November 2, 2021, the voters of the District authorized the issuance of a total of $121,400,000 principal amount of unlimited tax road bonds for the purpose of constructing and/or acquiring road facilities. The Bonds are issued by the District pursuant to Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the terms and conditions of the Bond Resolution, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance," "—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."

Book-Entry-Only System..... The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

Bond Counsel..... Allen Boone Humphries Robinson LLP, Bond Counsel, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS," and "TAX MATTERS."

Financial Advisor..... Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."

District Engineer..... Quiddity Engineering, LLC, Houston, Texas.

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

THE DISTRICT

Description and Location.....The District was created by an order of the Commission, dated April 5, 2017. The District contains approximately 635 acres of land and is located in the northwestern portion of Harris County approximately 35 miles from downtown Houston, Texas. The District is located northwest of the intersection of US Highway 99 (Grand Parkway) and State Highway 290 and can be accessed from State Highway 290 via Becker Road to FM 2920. The District lies entirely within the extraterritorial jurisdiction of the City of Houston and within the boundaries of the Waller Independent School District. See "THE DISTRICT" and "AERIAL PHOTOGRAPH."

Status of Development.....The development of land within the District is being marketed as Cypress Green. Water, sanitary sewer and drainage facilities have been constructed to serve Cypress Green, Sections 1 through 25 (2,274 completed single-family residential lots on approximately 464 acres). As of September 24, 2026, the District contained 992 single-family homes completed and occupied, 7 single-family homes completed and unoccupied, 8 completed model homes, 353 single-family homes in various stages of construction, and 914 vacant developed lots available for home construction.

Approximately 27 acres of land in the District have been developed for commercial purposes, all of which have been provided with trunk facilities. Of such acreage, vertical improvements have been constructed on approximately 6 acres which include a gas station/convenience store, a Popeyes Louisiana Kitchen and an approximately 18,000 square foot retail center. Approximately 8 acres in the District have been developed as park and recreation facilities, which includes a recreation center, a playground, two pools, splash pads, pickleball courts, tennis courts and a wiffle ball field. Approximately 15 acres have been developed for a future Waller Independent School District school site, which will not be subject to ad valorem taxation.

The District contains approximately 121 acres of undevelopable land contained in drainage easements, rights-of-way and utility sites and no additional developable acres to be developed. See "THE DISTRICT—Land Use," "—Status of Development" and "—Homebuilding."

The Developer..... The developer of Cypress Green is Astro Cypress Green, LP, a Delaware limited partnership (the "Developer"), which is a special purpose entity created by Mr. Al Brende of Land Tejas Companies and Starwood Land Astro Ventures LP solely for the purpose of developing and marketing the land in the District. The Developer has entered into a management agreement with Land Tejas Companies, Ltd. for the purpose of managing the day-to-day development activities in the District. The Developer does not own any additional developable acres in the District. See "THE DEVELOPER" and "TAX DATA—Principal Taxpayers."

Homebuilding..... Adams Homes Lone Star LLC, CastleRock Communities, Colina Homes, Coventry Homes, D.R. Horton, DRB Homes, Lennar Homes, and Long Lake, Ltd. (collectively, the "Homebuilders") are building homes in Cypress Green which range in sales price from approximately $250,000 to $460,000. See "THE DISTRICT—Homebuilding."

INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY PARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Taxable Assessed Valuation	$334,491,646	(a)
Estimated Taxable Assessed Valuation as of July 15, 2026	$391,642,703	(b)
Gross Debt Outstanding (after the issuance of the Bonds)	$50,515,000	(c)
Ratios of Gross Debt to:		
2026 Taxable Assessed Valuation	15.10%	
Estimated Taxable Assessed Valuation as of July 15, 2026	12.90%	
2026 Tax Rate:		
Debt Service	$0.87	
Maintenance and Operations	0.63	
Total	$1.50/$100 A.V.	
Maximum Annual Debt Service Requirements (2028) of the Bonds and the Outstanding Bonds ("Maximum Annual Requirement")	$3,532,750	(d)
Average Annual Debt Service Requirements (2027-2053) of the Bonds and the Outstanding Bonds ("Average Annual Requirement")	$3,217,028	(d)
Tax rate required to pay Maximum Annual Requirement based upon:		
2026 Taxable Assessed Valuation at a 95% collection rate	$1.12/$100 A.V.	(e)
Estimated Taxable Assessed Valuation as of July 15, 2026 at a 95% collection rate	$0.95/$100 A.V.	(e)
Tax rate required to pay Average Annual Requirement based upon:		
2026 Taxable Assessed Valuation at a 95% collection rate	$1.02/$100 A.V.	(e)
Estimated Taxable Assessed Valuation as of July 15, 2026 at a 95% collection rate	$0.87/$100 A.V.	(e)

Status of Home Construction as of September 24, 2026 (f):

Single-Family Residential – Completed and Occupied	992
Single-Family Residential – Completed and Unoccupied	7
Single-Family Residential – Under Construction	353
Model Homes	8
Vacant Developed Lots	914
Total	2,274

Estimated 2026 Population — 3,472 (g)

(a) The Harris Central Appraisal District (the "Appraisal District") has certified $314,769,509 of taxable value and an additional $19,722,137 of taxable value remains uncertified. According to the Appraisal District, the uncertified value represents the landowner's opinion of the taxable value; however, such value could be subject to downward revision or adjustment. No tax will be levied on the uncertified value until it is certified. The 2026 Taxable Assessed Valuation shown throughout this Official Statement is the certified value plus the uncertified value. See "TAX PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable appraised value within the District on July 15, 2026. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds. See "FINANCIAL STATEMENT—Outstanding Bonds."

(d) See "DEBT SERVICE REQUIREMENTS."

(e) See "TAX DATA—Tax Adequacy for Debt Service."

(f) See "THE DISTRICT—Status of Development."

(g) Estimate based on 3.5 persons per occupied single-family residence.

OFFICIAL STATEMENT

$3,575,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
(A political subdivision of the State of Texas located within Harris County)

UNLIMITED TAX ROAD BONDS
SERIES 2026A

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 547 (the "District") of its $3,575,000 Unlimited Tax Road Bonds, Series 2026A (the "Bonds").

The Bonds are issued pursuant to an election held within the District, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, and a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board").

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

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution of the Board authorizing the issuance and sale of the Bonds. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated November 1, 2026, with interest accruing from the Date of Delivery, and are payable on each August 1 and February 1 (each an "Interest Payment Date") commencing August 1, 2027, until the earlier of stated maturity or prior redemption. The Bonds mature on August 1 in the amounts and years and accrue interest at the rates shown on the cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiples thereof.

Authority for Issuance

At the District's bond election held on November 2, 2021, the voters of the District authorized the issuance of a total of $121,400,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring road facilities. The Bonds are being issued pursuant to such election and for the purposes described in "USE AND DISTRIBUTION OF BOND PROCEEDS."

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

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

Source of and Security for Payment

The Bonds, together with the Outstanding Bonds and any additional bonds payable from ad valorem taxes, 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. See "TAX PROCEDURES." In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose. 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 "INVESTMENT CONSIDERATIONS."

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

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company N.A., Houston, Texas as the initial Paying Agent/Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Houston, Texas and interest on each Bond shall be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the January 15 or July 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

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, as defined in the Bond Resolution.

Funds

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

The Road Debt Service Fund is available for payment of principal of and interest on bonds issued for road facilities, including the Bonds. It is not available to pay principal or interest on bonds issued for water, sanitary sewer and drainage facilities.

The District maintains a Water/Sewer/Drainage Debt Service Fund that is available for payment of debt service on bonds issued for water, sewer, and drainage facilities. It is not available to pay principal or interest on bonds issued for road facilities, including the Bonds.

Twelve (12) months of capitalized interest will be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Road Capital Projects Fund, for paying the costs of acquiring or constructing road facilities, engineering fees, paying Developer interest, administrative costs, and costs of issuance of the Bonds. Any monies remaining in the Road Capital Projects Fund will be used as described in the Bond Resolution or ultimately transferred to the Road Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds.

The District deposits, as collected, all revenues derived from operation of the District's water and sanitary sewer system and from maintenance taxes into the General Fund. From the General Fund, the District pays all administration, operation, and maintenance expenses of the water and sanitary sewer system and the District's storm drainage system. Any funds remaining in the General Fund after payment of maintenance and operating expenses, and to the extent they are ever necessary, after any payments pledged pursuant to the requirements of the Bonds, may be used by the District for any lawful purposes.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then 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 in the Bond Resolution 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.

Redemption Provisions

The District reserves the right, at its option, to redeem Bonds maturing on or after August 1, 2033, prior to their scheduled maturities, in whole or in part, in integral multiples of $5,000, on August 1, 2032, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if fewer than all the Bonds outstanding within any one maturity are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

The District may issue additional bonds necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. After issuance of the Bonds, the District will have (i) $134,680,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities, (ii) $93,525,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing road facilities, (iii) $32,585,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring and/or constructing recreational facilities, (iv) $47,437,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for water, sanitary sewer and drainage facilities, (v) $36,420,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for road facilities, and (vi) $9,775,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for recreational facilities.

The District has authorized the preparation and submittal of a bond application to the Texas Commission on Environmental Quality (the "Commission" or "TCEQ") requesting approval to sell approximately $8,000,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities. The District expects TCEQ approval and issuance of such bonds in the third quarter of 2027. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. See "INVESTMENT CONSIDERATIONS—Future Debt."

The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue.

The District is also authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) preparation of a detailed park plan; (b) authorization of park bonds by the qualified voters in the District; (c) approval of the park project and bonds by the TCEQ; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. The District has approved a park plan and, at an election held of November 2, 2021, voters of the District authorized the issuance of $32,585,000 in unlimited tax bonds for the purposes of purchasing or constructing parks and recreational facilities, all of which remains authorized but unissued.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purposes by the qualified voters in the District; (b) approval of the master plan and bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election at this time for such purposes.

The issuance of additional bonds is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "INVESTMENT CONSIDERATIONS—Future Debt."

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Issuance of additional bonds could increase gross debt/property rates and might dilute the investment security for the Bonds.

Annexation by the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the "City" or "Houston"), the District must conform to a City consent ordinance. Generally, the District may be annexed by the City without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. The District does not have a strategic partnership agreement with the City at this time.

If the District is annexed, the City will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the 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

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

Remedies in Event of Default

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 Resolution, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution 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. In the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution 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. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted 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 might apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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).

All 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 Bonds 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 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

THE DISTRICT

General

The District is a municipal utility district created by order of the Commission, dated April 5, 2017, and operates under the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes applicable to municipal utility districts. The District is located wholly within the exclusive extraterritorial jurisdiction of the City.

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

The Commission exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements of the City of Houston which limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage, road, parks and recreation, and firefighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of District construction plans; and permit connections only to platted lots and reserves which have been approved by the Planning Commission of the City of Houston. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional government agencies. See "WATER SUPPLY AND WASTEWATER TREATMENT."

Description and Location

The District contains approximately 635 acres of land. The District is located approximately 35 miles northwest of downtown Houston. The District is located northwest of the intersection of US Highway 99 (Grand Parkway) and State Highway 290 in northwest Harris County. The District can be accessed from State Highway 290 via Becker Road to FM 2920. The District is located wholly within the boundaries of the Waller Independent School District. See "AERIAL PHOTOGRAPH."

Land Use

The following table has been provided by the Engineer and represents the current land use within the District.

Single-Family Residential	Approximate Acres	Lots
Cypress Green		
Section 1	20	123
Section 2	21	94
Section 3	28	128
Section 4	14	57
Section 5	10	39
Section 6	8	27
Section 7	11	56
Section 8	20	75
Section 9	23	79
Section 10	13	59
Section 11	22	102
Section 12	17	78
Section 13	16	54
Section 14	21	100
Section 15	13	68
Section 16	22	139
Section 17	17	102
Section 18	14	81
Section 19	17	107
Section 20	18	106
Section 21	24	130
Section 22	24	120
Section 23	25	137
Section 24	27	124
Section 25	19	89
Subtotal	464	2,274
Commercial (a)	27	---
Recreation (b)	8	---
School Site (Tax-Exempt)	15	---
Non-Developable (c)	121	---
Totals	635	2,274

(a) See "—Status of Development" herein.
(b) Represents park and recreational facilities.
(c) Consisting of drainage easements, rights-of-way and utility sites.

Status of Development

The development of land within the District is being marketed as Cypress Green. Water, sanitary sewer and drainage facilities have been constructed to serve Cypress Green, Sections 1 through 25 (2,274 completed single-family residential lots on approximately 464 acres).

Status of Home Construction as of September 24, 2026:	
Single-Family Residential – Completed and Occupied	992
Single-Family Residential – Completed and Unoccupied	7
Single-Family Residential – Under Construction	353
Model Homes	8
Vacant Developed Lots	914
Total	2,274

In addition to the development described above, approximately 27 acres of land in the District have been developed for commercial purposes, all of which have been provided with trunk facilities. Of such acreage, vertical improvements have been constructed on approximately 6 acres which includes a gas station/convenience store, a Popeyes Louisiana Kitchen and an approximately 18,000 square-foot retail center. Approximately 8 acres in the District have been developed as park and recreation facilities, which include a recreation center, a playground, two pools, splash pads, pickleball courts, tennis courts and a wiffle ball field. Approximately 15 acres have been developed for a future Waller Independent School District school site, which will not be subject to ad valorem taxation. The District contains approximately 121 acres of undevelopable land contained in drainage easements, rights-of-way and utility sites and no additional developable acres to be developed. See "INVESTMENT CONSIDERATIONS—Vacant Land and Lots."

Homebuilding

Adams Homes Lone Star LLC, CastleRock Communities, Colina Homes, Coventry Homes, D.R. Horton, DRB Homes, Lennar Homes, and Long Lake, Ltd. (collectively, the "Homebuilders") are building homes in Cypress Green which range in sales price from approximately $250,000 to $460,000.

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. Each current Director owns land and/or resides in the District. Directors are elected by the voters within the District for four-year staggered terms. Directors elections are held only in even numbered years. The Directors of the District are listed below:

Name	Title	Term Expires
Joetta Bowie	President	May 2028
Margaret Rowell	Vice President	May 2028
Austin Keith	Assistant Vice President	May 2030
John Michael Rose II	Secretary	May 2030
Nicholas P. Dickerson	Assistant Secretary	May 2028

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

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by Harris Central Appraisal District. The District contracts with Utility Tax Service, LLC to serve as Tax Assessor/Collector.

Bookkeeper

The District has engaged Myrtle Cruz, Inc. to serve as the District's bookkeeper.

System Operator

The District contracts with Municipal District Services LLC for maintenance and operation of the District's System (as defined herein).

Engineer

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

Attorney

The District engages Allen Boone Humphries Robinson LLP as general counsel and as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Financial Advisor

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

Disclosure Counsel

The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas as disclosure counsel. The fees paid to disclosure counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audited financial statements are filed with the TCEQ. The financial statements of the District as of April 30, 2026, and for the year ended, have been audited by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, as stated in their report appearing herein. See "APPENDIX A" for a copy of the audited financial statements of the District as of April 30, 2026.

THE DEVELOPER

Role of a Developer

In general, the activities of a landowner or developer in an improvement district such as the District include designing the project, defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of streets and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. While a developer is required by the TCEQ to pave streets in areas where utilities are to be financed by a district through a specified bond issue, a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Neither the Developer nor any of its affiliates, are obligated to pay principal of or interest on the Bonds. Furthermore, the Developer does not have a binding commitment to the District to carry out any plan of development and may sell or otherwise dispose of its property within the District, or any other assets, at any time, and the furnishing of information relating to Developer should not be interpreted as such a commitment. Prospective Bond purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the boundaries of the District. See "INVESTMENT CONSIDERATIONS—Landowner Obligation to the District."

Prospective Bond purchasers should note that any prior real estate experience discussed below of the Developer should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful.

Astro Cypress Green, LP

The developer of Cypress Green is Astro Cypress Green, LP, a Delaware limited partnership (the "Developer"), which is a special purpose entity created by the Land Tejas Companies and Starwood Land Astro Ventures LP solely for the purpose of developing and marketing the land in the District. The Developer has entered into a management agreement with Land Tejas Companies, Ltd. for the purpose of managing the day-to-day development activities in the District. The Developer does not own any additional developable acres in the District.

According to the Developer, the Developer is a thinly capitalized entity whose assets consist primarily of the land in the District and the receivables due from the District for development costs. The Developer has minimal net revenues. The development is financed by Astro Cypress Green, LP with cash generated primarily through the sale of residential lots and commercial land. Astro Cypress Green, LP has obtained financing for a portion of the development of the District through the Public Finance Authority of Wisconsin (the "PFA"). The PFA issued $164,990,000 Special Revenue Bonds (Astro Texas Land Projects, Municipal Utility Districts, Brazoria, Galveston, Harris and Waller Counties, Texas), Series 2024 and $195,767,000 Texas Infrastructure Program Tax-Exempt Revenue Anticipation Improvement and Refunding Bonds (Astro Texas Land Projects), Series 2025 (together, the "PFA Bonds"), which are secured in part by the sale and assignment of Astro Cypress Green, LP's right to receive proceeds from the Bonds and the future sale of unlimited tax bonds issued by the District. According to the Developer, it is currently in compliance with all material representations and certifications made with respect to the PFA Bonds and have made the necessary certifications required by the Texas Attorney General ensuring the proceeds of the Bonds are being used for lawful purposes authorized under Texas law. The Developer is not responsible for, liable for, and has not made any commitment for payment of the Bonds or other obligations of the District. Further, the Developer's financial condition is subject to change at any time.

THE ROAD SYSTEM

The District's road system serves the residents of Cypress Green and consists of two (2) major thoroughfares, Holderrieth Road and Mason Road, several collector roads, namely Tuscan Terrace Drive, and an internal street network. Tuscan Terrace Drive serves as the primary access point to the District, connecting the internal streets to the major thoroughfares of Farm-to-Market 2920, forming the northern boundary of the District, and Holderrieth Road, providing secondary access west of the District. Mason Road serves as an alternate point of access providing north-south connection between Farm-to-Market 2920 and Holderrieth Road along the District's northeastern boundary. See "USE AND DISTRIBUTION OF BOND PROCEEDS." All of these roads are included in the City of Houston's and/or Harris County's thoroughfare plan and have been or will be accepted for ownership, operation, and maintenance by Harris County.

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

WATER SUPPLY AND WASTEWATER TREATMENT

Regulation

According to the Engineer, the District's water distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System was required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. Operation of the System must be accomplished in accordance with the standards and requirements of such entities. The Commission exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the Commission and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Harris County Flood Control District, the City of Houston, Harris County and, in some instances, the Commission. Harris County and the City of Houston also exercise regulatory jurisdiction over the System. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant in which the District owns capacity beyond the criteria existing at the time of construction of the plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the District's Engineer.

Wholesale Agreement for Water and Wastewater Service

On March 31, 2021, LT Cypress Green 634 LLC, McCallister Opportunity Fund 2012, L.P., McCallister Opportunity Fund 2014, L.P. and Quadvest, L.P., a Texas Limited Partnership ("Quadvest"), entered into a Wholesale Agreement for Water and Wastewater Service (the "Wholesale Agreement") to provide water supply and wastewater treatment capacity to serve up to 2,500 ESFCs within the District. On December 21, 2021, the Wholesale Agreement was assigned by LT Cypress Green 634 LLC to the Developer. On August 25, 2022, the Wholesale Agreement was assigned by the Developer to the District. Under the terms of the Wholesale Agreement, Quadvest is responsible for financing and constructing the water supply and wastewater treatment plants (the "Plant Facilities") to provide water and wastewater service to the District. The District is responsible for financing and constructing the facilities to deliver water and wastewater service to customers within the District. In exchange for constructing and operating the Plant Facilities, Quadvest has received or will receive the following: a) an initial payment from the Developer in the amount of $500,000, which payment will offset the final Capacity Payments (defined below) and b) Capacity Payments in the amount of $1,280 per platted lot (the "Capacity Payments"). The Capacity Payments are due the earlier of: a) receipt of District bond proceeds for such Capacity Payments; or b) thirty-six (36) months following the recording of the plat for each section. Quadvest is obligated to expand the systems for water and wastewater services and initiate the engineering and financial planning of the expansions to Quadvest Wastewater System or Quadvest Water System when the system reaches 75% of permitted capacity. Quadvest will initiate construction of the expansion of the system when it reaches 90% of the permitted capacity.

Source of Water Supply and Wastewater Treatment

The District obtains water from Quadvest, which holds Certificate of Convenience and Necessity No. 11612 for water according to the Wholesale Agreement. Quadvest currently provides water supply to the District from Water Plant No. 1, which is located within the boundaries of the District and is owned, operated and maintained by Quadvest. Water Plant No. 1 consists of one (1) 500 gpm water well; one (1) 1,100 gpm water well; one (1) 280,000-gallon ground storage tank; one (1) 15,000-gallon hydro-pneumatic tank; and two (2) 1,000 gpm booster pumps. Water Plant No. 1 has the capacity to serve a total of 2,500 ESFCs in the District. Currently, 1,360 ESFCs are being served in the District.

The District obtains wastewater capacity from Quadvest, which holds Certificate of Convenience and Necessity No. 20952 for wastewater according to the Wholesale Agreement. Quadvest currently provides wastewater treatment through its Bauer Road Wastewater Treatment Facility. The TCEQ issued Quadvest a wastewater discharge permit for Bauer Road. Quadvest is currently operating in Phase II of the permit. In Phase II, the average daily flow is limited to 500,000 gpd, and the plant's current average daily flow is approximately 240,000 gpd. Phase II of the wastewater treatment plant has capacity to serve approximately 2,500 ESFCs of which the District has 1,666 ESFCs. Currently, 1,360 ESFCs are being served in the District.

Subsidence and Conversion to Surface Water Supply: The District is within the boundaries of the Harris Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 1999, the Texas legislature created the North Harris County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Harris County. The District is located within the boundaries of the Authority. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District's groundwater well(s) are included within the Authority's GRP. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District to the Authority, which permit includes all groundwater wells that are included in the Authority's GRP.

The Authority, among other powers, has the power to (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees to be paid by the District for groundwater pumped by the District or for surface water received by the District from the Authority), user fees, rates, and charges as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and the amount of surface water, if any, received by the District from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2035 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required: (i) through the year 2024, to limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP; (ii) beginning in the year 2025, to limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP; and (iii) beginning in the year 2035, and continuing thereafter, to limit groundwater withdrawals to no more than 20% of the total annual water demand of the water users within the Authority's GRP. If the Authority fails to comply with the above Subsidence District regulations or its GRP, the Authority is subject to a disincentive fee penalty per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% of the total water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to pass such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

100-Year Flood Plain: "Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rainstorm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes and other improvements must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes and other improvements built in such area will not be flooded. The District's drainage system has been designed and constructed to the then current standards.

According to the District's Engineer, there are no developed acres within the District that are included in the 500-year flood plain. No land within the District lies within the 100-year flood plain. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events."

Atlas 14: In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based upon the Atlas 14 study, which is based upon a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties within the District. Such regulations could additionally result in higher insurance rates, increased development fees and stricter building codes for any property located within the expanded boundaries of the floodplain.

USE AND DISTRIBUTION OF BOND PROCEEDS

The estimated use and distribution of Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $2,818,684 is estimated for construction costs, $756,316 is estimated for non-construction costs, including twelve (12) months of capitalized interest on the Bonds.

CONSTRUCTION COSTS	
Cypress Green Section 17 Paving	$ 133,925
Cypress Green Section 19 & 20 Paving	1,410,982
Cypress Green Section 21 Paving	583,979
Cypress Green Section 22 Paving	381,239
Engineering and Testing	308,559
Total Construction Costs	**$ 2,818,684**
NON-CONSTRUCTION COSTS	
Legal Fees	$ 104,375
Fiscal Agent Fees	70,063
Capitalized Interest (Twelve (12) Months) (a)	198,844
Developer Interest (Estimated)	196,848
Bond Discount	107,250
Bond Application Report Costs	20,000
Bond Issuance Expenses	48,642
Attorney General Fee	3,575
Contingency (a)	6,719
Total Non-Construction Costs	**$ 756,316**
TOTAL BOND ISSUE	**$ 3,575,000**

(a) Contingency represents the difference in the estimated and actual amounts of capitalized interest.

The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used.

Future Debt

The Developer has financed or is financing the engineering and construction costs of underground utilities to serve Cypress Green, Sections 1 through 25, as well as certain other District improvements including other water and wastewater line extensions. After reimbursement from proceeds of the sale of the Bonds, the Developer will have expended approximately $72,260,000 for design, construction and acquisition of District utilities, parks and recreational facilities and road facilities not yet reimbursed. It is anticipated that proceeds from future issues of District bonds will be used, in part, to reimburse the Developer for these costs to the extent allowed by the Commission, if applicable. The District can make no representation that any additional development will occur within the District. The Engineer has stated that the District's authorized but unissued bonds will be adequate, under present land use projections, to finance such improvements. See "INVESTMENT CONSIDERATIONS—Future Debt."

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Date of Authorization	Purpose	Amount Authorized	Issued to Date	Amount Unissued
11/2/2021	Water, Sanitary Sewer and Drainage ("WS&D")	$158,125,000	$23,445,000	$134,680,000
11/2/2021	Recreational	$32,585,000	$0	$32,585,000
11/2/2021	Roads	$121,400,000	$27,875,000 *	$93,525,000
11/2/2021	Refunding of WS&D Bonds	$47,437,000	$0	$47,437,000
11/2/2021	Refunding of Recreational Bonds	$9,775,000	$0	$9,775,000
11/2/2021	Refunding of Road Bonds	$36,420,000	$0	$36,420,000

* Includes the Bonds.

FINANCIAL STATEMENT

2026 Taxable Assessed Valuation	$334,491,646	(a)
Estimated Taxable Assessed Valuation as of July 15, 2026	$391,642,703	(b)
Direct Debt:		
Outstanding Bonds (as of September 1, 2026)	$46,940,000	
The Bonds	3,575,000	
Gross Direct Debt (after issuance of the Bonds)	$50,515,000	
Ratios of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	15.10%	
Estimated Taxable Assessed Valuation as of July 15, 2026	12.90%	

Area of District — 635 acres
Estimated 2026 Population — 3,472 (c)

(a) The Harris Central Appraisal District (the "Appraisal District") has certified $314,769,509 of taxable value and an additional $19,722,137 of taxable value remains uncertified. According to the Appraisal District, the uncertified value represents the landowner's opinion of the taxable value; however, such value could be subject to downward revision or adjustment. No tax will be levied on the uncertified value until it is certified. The 2026 Taxable Assessed Valuation shown throughout this Official Statement is the certified value plus the uncertified value. See "TAX PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable appraised value within the District on July 15, 2026. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."

(c) Based on 3.5 persons per occupied single-family residence.

Cash and Investment Balances (unaudited as of September 24, 2026)

General Fund	Cash and Temporary Investments	$1,930,507
WS&D Capital Projects Fund	Cash and Temporary Investments	$ 22,551
Road Capital Projects Fund	Cash and Temporary Investments	$ 25,658
WS&D Debt Service Fund	Cash and Temporary Investments	$1,037,083 (a)
Road Debt Service Fund	Cash and Temporary Investments	$1,223,017 (a)(b)

(a) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on parity, a pro rata portion of the District's ad valorem tax revenue will be allocated to bonds sold for water, sanitary sewer and drainage facilities (the "Water, Sewer and Drainage Bonds"), and a portion will be allocated to bonds sold for road facilities, including the Bonds (the "Road Bonds"). See "—Outstanding Bonds" below. The Water, Sewer and Drainage Debt Service Fund is not pledged to the Road Bonds, including the Bonds, and the Road Debt Service Fund is not pledged to the Water, Sewer and Drainage Bonds.

(b) Twelve (12) months of capitalized interest will be deposited into such fund from proceeds of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS." Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Debt Service Fund.

Outstanding Bonds (as of September 1, 2026)

Series		Original Principal Amount	Outstanding Bonds (as of 9/1/2026)
2023		$ 5,195,000	$ 4,965,000
2023A	(a)	6,300,000	6,045,000
2024	(a)	9,000,000	8,800,000
2025		5,750,000	5,630,000
2025A	(a)	9,000,000	9,000,000
2026		12,500,000	12,500,000
Total		$ 47,745,000	$ 46,940,000

(a) Unlimited tax road bonds.

Investments of the District

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

ESTIMATED OVERLAPPING DEBT STATEMENT

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Harris County	$ 3,080,611,581	8/31/2026	0.050%	$ 1,540,306
Harris County Department of Education	28,960,000	8/31/2026	0.050%	14,480
Harris County Flood Control District	1,034,900,000	8/31/2026	0.050%	517,450
Harris County Hospital District	1,644,825,000	8/31/2026	0.050%	822,413
Port of Houston Authority	386,074,397	8/31/2026	0.050%	193,037
Waller Independent School District	1,079,320,000	8/31/2026	2.440%	26,335,408
Total Estimated Overlapping Debt				$ 29,423,093
The District	50,515,000	(a)	100.00%	50,515,000
Total Direct and Estimated Overlapping Debt				$ 79,938,093

Ratios of Gross Debt and Estimated Overlapping Debt to:
2026 Taxable Assessed Valuation of $334,491,646 ..... 23.90%
Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703 ..... 20.41%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Tax Rates for 2026

	Tax Rate per $100 of Taxable Assessed Valuation
Harris County (including Harris County Flood Control District, Harris County Hospital District, Harris County Department of Education, and the Port of Houston Authority)	$ 0.676267
Waller Independent School District	1.052800
Harris County ESD No. 3	0.100000
Harris County ESD No. 21	0.100000
Total Overlapping Tax Rate	$ 1.929067
The District (a)	1.500000
Total Tax Rate	$ 3.429067

(a) See "TAX DATA—Tax Rate Distribution."

TAX DATA

Tax Collections

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

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of August 31, 2026 (a) Amount	Percent
2022 (b)	$ 626,229	$ 1.50	$ 9,393	$ 9,393	100.00%
2023	51,170,613	1.50	767,559	767,559	100.00%
2024	132,889,450	1.50	1,993,342	1,988,024	99.73%
2025	214,645,520	1.50	3,219,683	3,187,372	99.00%
2026	334,491,646	1.50	5,017,375	(c)	(c)

(a) Unaudited.
(b) Initial year of tax levy.
(c) In process of collection. Taxes for 2026 are due by January 31, 2027.

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

Tax Rate Distribution

	2026	2025	2024	2023	2022 (a)
Debt Service	$ 0.87	$ 0.80	$ 0.80	$ 0.75	$ -
Maintenance and Operations	0.63	0.70	0.70	0.75	1.50
Total	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50

(a) Initial year of tax levy.

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount).
Maintenance and Operations: $1.50 per $100 of taxable assessed valuation.

Debt Service Tax

The Board covenants in the Bond Resolution 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 levied a debt service tax for 2026 at the rate of $0.87 per $100 of taxable assessed valuation.

Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On November 2, 2021, the District's voters authorized the Board to levy such a maintenance tax in an amount not to exceed $1.50 per $100 of taxable assessed valuation. The District levied a maintenance tax for 2026 at the rate of $0.63 per $100 of taxable assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonded indebtedness.

Tax Exemptions

As discussed in the section titled “TAX PROCEDURES” herein, certain property in the District may be exempt from taxation by the District. For tax year 2026, the District has not granted any residential homestead exemptions.

Additional Penalties

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

Principal Taxpayers

The following list of principal taxpayers was provided by the District's tax assessor/collector and represents the principal taxpayers' value as a percentage of the certified portion ($314,769,509) of the 2026 Taxable Assessed Valuation of $334,491,646. This represents ownership as of January 1, 2026. Accurate principal taxpayer lists related to the uncertified portion ($19,722,137) of the 2026 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703 are not available as of the date hereof.

Taxpayer	Type of Property	2026 Taxable Assessed Valuation	% of 2026 Taxable Assessed Valuation
DRP Bookbinder Multistate LLC	Land	$ 15,580,170	4.95%
Astro Cypress Green LP (a)	Land & Improvements	12,208,925	3.88%
DR Horton Texas Ltd. (b)	Land, Improvements & Personal Property	8,569,938	2.72%
69 Cypress Green Investments Ltd.	Land	5,764,334	1.83%
Castlerock Communities LLC (b)	Land & Improvements	5,110,624	1.62%
Lennar Homes of Texas Land and Construction Ltd. (b)	Land & Improvements	4,858,198	1.54%
DFC Cypress LLC	Land	4,026,049	1.28%
Hotwire Communications Ltd.	Personal Property	2,864,682	0.91%
Malabar Hill Cypress Green LLC	Land & Improvements	2,578,929	0.82%
Stockdick Realty LLC	Land	2,121,675	0.67%
Total		$ 63,683,524	20.23%

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

Summary of Assessed Valuation

The following summary of the 2026, 2025, and 2024 Taxable Assessed Valuations is provided by the District's Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2026, 2025, and 2024 tax rolls of the District. Accurate breakdowns related to the uncertified portion ($19,722,137) of the 2026 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703 are not available as of the date hereof.

	2026 Taxable Assessed Value	2025 Taxable Assessed Value	2024 Taxable Assessed Value
Land	$ 112,183,096	$ 65,555,349	$ 45,988,684
Improvements	212,755,058	156,505,452	90,602,952
Personal Property	4,599,040	3,005,409	1,481,727
Exemptions	(14,767,685)	(10,420,690)	(5,183,913)
Total Certified	$ 314,769,509	$ 214,645,520	$ 132,889,450
Uncertified Value	19,722,137	-	-
Total	$ 334,491,646	$ 214,645,520	$ 132,889,450

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2026 Taxable Assessed Valuation of $334,491,646, including $19,722,137 of uncertified value, and the Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703, no use of available funds, and utilize tax rates necessary to pay the District's average and maximum annual debt service requirements on the Outstanding Bonds and the Bonds.

Maximum annual debt service requirement (2028)	$3,532,750
$1.12 tax rate on the 2026 Taxable Assessed Valuation of $334,491,646 at a 95% collection rate produces	$3,558,991
$0.95 tax rate on the Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703 at a 95% collection rate produces	$3,534,575
Average annual debt service requirement (2027-2053)	$3,217,028
$1.02 tax rate on the 2026 Taxable Assessed Valuation of $334,491,646 at a 95% collection rate produces	$3,241,224
$0.87 tax rate on the Estimated Taxable Assessed Valuation as of July 15, 2026 of $391,642,703 at a 95% collection rate produces	$3,236,927

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of July 15, 2026 provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAX PROCEDURES."

TAX PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

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

must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation 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 residential 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 for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year but must be adopted before July 1. For tax year 2026, the District has not adopted a general homestead exemption.

Freeport Goods and Goods-in-Transit Exemptions: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Harris County or the City of Houston may designate all or part of the area within the District as a reinvestment zone. Thereafter, Harris County, the District, and the City of Houston (if it were to annex the District), at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

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

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

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the governor 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.

District and Taxpayer Remedies

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

Levy and Collection of Taxes

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

Tax Payment Installations After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date. Additionally, the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Rollback of Operation and Maintenance Tax Rate

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

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, may be 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 than1.035 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, may be required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts: Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax 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 is made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for tax year 2026. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the cost of suit and sale, by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years for residential and agricultural property and six (6) months for commercial property and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS—Tax Collection Limitations."

WATER AND SEWER OPERATIONS

General

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

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and, in all instances, exclude depreciation. Such summary is based upon information obtained from the District's audited financial statement for fiscal years ended April 30, 2022 through April 30, 2026. Reference is made to such statements and records for further and more complete information.

	Fiscal Year Ended April 30				
	2026	2025	2024	2023	2022 (a)
Revenues					
Property Taxes	$ 1,488,071	$ 959,327	$ 325,118	$ 9,539	$ -
Water Service	708,684	407,377	270,385	55,624	-
Sewer Service	476,829	297,416	175,136	24,327	-
Regional Water Authority Fee	297,317	172,309	155,669	10,707	-
Penalty and Interest	33,447	19,033	14,094	770	-
Tap Connection and Inspection Fees	1,218,482	979,862	440,885	514,460	-
Condemnation Revenues	-	196,142	-	-	-
Investment Income	136,027	50,641	14,187	12,014	-
Total Revenues	$ 4,358,857	$ 3,082,107	$ 1,395,474	$ 627,441	$ -
Expenditures					
Professional Fees	$ 352,365	$ 298,052	$ 356,305	$ 145,848	$ 162,805
Contracted Services	341,534	201,767	120,401	36,350	5,750
Purchased Water Service	408,077	207,455	147,878	17,568	-
Purchased Sewer Service	631,675	419,760	231,385	32,615	-
Repairs and Maintenance	557,919	187,634	155,884	80,647	-
Water Authority Assessments	286,757	188,840	193,545	20,730	-
Other Expenditures	971,174	545,137	358,396	251,403	18,246
Total Expenditures	$ 3,549,501	$ 2,048,645	$ 1,563,794	$ 585,161	$ 186,801
Revenues Over (Under) Expenditures	$ 809,356	$ 1,033,462	$ (168,320)	$ 42,280	$ (186,801)
Other Sources (Developer Advances)	$ -	$ -	$ 30,000	$ 200,108	$ 22,000
Fund Balance (Beginning of Year)	$ 972,729	$ (60,733)	$ 77,587	$ (164,801)	$ -
Fund Balance (End of Year)	$ 1,782,085	$ 972,729	$ (60,733)	$ 77,587	$ (164,801)

(a) Initial audited financial statement.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds and the Bonds. This schedule does not reflect the fact that twelve (12) months of interest was capitalized in August 2026 from the Series 2026 Bonds and twelve (12) months of interest will be capitalized from proceeds of the Bonds to pay debt service on the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2027	$ 3,258,243	$ -	$ 138,638	$ 138,638	$ 3,396,881
2028	3,278,906	55,000	198,844	253,844	3,532,750
2029	3,262,044	55,000	194,719	249,719	3,511,763
2030	3,236,556	60,000	190,594	250,594	3,487,150
2031	3,217,781	65,000	186,094	251,094	3,468,875
2032	3,195,031	65,000	181,219	246,219	3,441,250
2033	3,168,663	70,000	176,344	246,344	3,415,006
2034	3,164,881	70,000	171,094	241,094	3,405,975
2035	3,167,006	75,000	165,844	240,844	3,407,850
2036	3,174,019	80,000	160,313	240,313	3,414,331
2037	3,183,094	85,000	156,313	241,313	3,424,406
2038	3,188,013	90,000	152,063	242,063	3,430,075
2039	3,198,963	90,000	147,563	237,563	3,436,525
2040	3,205,269	95,000	143,063	238,063	3,443,331
2041	3,206,756	100,000	138,313	238,313	3,445,069
2042	3,219,494	105,000	133,313	238,313	3,457,806
2043	3,222,438	110,000	128,063	238,063	3,460,500
2044	3,221,156	120,000	122,425	242,425	3,463,581
2045	3,234,113	125,000	116,275	241,275	3,475,388
2046	3,241,156	130,000	109,713	239,713	3,480,869
2047	3,247,644	135,000	102,888	237,888	3,485,531
2048	3,242,238	145,000	95,800	240,800	3,483,038
2049	3,250,219	150,000	88,188	238,188	3,488,406
2050	2,426,069	250,000	80,313	330,313	2,756,381
2051	1,816,294	250,000	67,188	317,188	2,133,481
2052	1,432,900	500,000	53,750	553,750	1,986,650
2053	-	500,000	26,875	526,875	526,875
Total	$ 79,658,943	$ 3,575,000	$ 3,625,801	$ 7,200,801	$ 86,859,744

Average Annual Debt Service Requirements (2027-2053) $3,217,028
Maximum Annual Debt Service Requirements (2028) $3,532,750

INVESTMENT CONSIDERATIONS

General

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

Dependence on Major Taxpayers

The ten top taxpayers represent $63,683,524 or 20.23% of the certified portion ($314,769,509) of the 2026 Taxable Assessed Valuation of $334,491,646 within the District as of January 1, 2026. See "TAX DATA—Principal Taxpayers." The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay taxes in a timely manner, the District may need to levy additional taxes or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Resolution, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes could have a material adverse effect upon the District's ability to pay debt service on the Bonds. See "—Tax Collection Limitations" herein.

Vacant Land and Lots

There are approximately 21 acres of land served with trunk facilities for commercial development but have no vertical improvements and 914 vacant developed lots available for home construction in the District as of September 24, 2026. Failure of the Homebuilders to construct homes on the developed lots or of builders to construct taxable improvements on developed tracts of land could restrict the rate of growth of taxable values in the District. Future increases in value will result primarily from the construction of homes by the Homebuilders or other builders. The District makes no representation that the lot sales and building program will be successful. See "THE DISTRICT—Land Use" and "—Status of Development."

Landowner Obligation to the District

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

Increase in Costs of Building Materials

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

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences, undeveloped land and developed lots. The market value of such homes and lots is related to general economic conditions in the greater Houston region and the national economy and those conditions can affect the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability (see "—Credit Markets and Liquidity in the Financial Markets" herein), construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity could tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 35 miles northwest from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and the nation could adversely affect development and home-building plans in the District and restrain the growth of the District's property tax base or reduce it from current levels.

Competition

The demand for and construction of single-family homes in the District, which is approximately 35 miles from downtown Houston, could be affected by competition from other residential developments in the northwestern portion of the Houston area market. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District.

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

Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2026 Taxable Assessed Valuation is $334,491,646 ($314,769,509 of certified value plus $19,722,137 of uncertified value). After issuance of the Bonds, the maximum annual debt service requirement will be $3,532,750 (2028) and the average annual debt service requirement will be $3,217,028 (2027-2053, inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $1.12 and $1.02 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. The Estimated Taxable Assessed Valuation as of July 15, 2026 is $391,642,703. Assuming no increase or decrease from the Estimated Taxable Assessed Valuation as of July 15, 2026, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.95 and $0.87 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. See "DEBT SERVICE REQUIREMENTS." Although calculations have been made regarding the tax rate necessary to pay the maximum and average annual debt service on the Bonds based upon the 2026 Taxable Assessed Valuation and the Estimated Taxable Assessed Valuation as of July 15, 2026, the District can make no representations regarding the future level of assessed valuation within the District. See "TAX DATA—Tax Adequacy for Debt Service" and "TAX PROCEDURES."

Future Debt

The District reserves the right to issue the remaining (i) $134,680,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities, (ii) $93,525,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing road facilities, (iii) $32,585,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing recreational facilities, (iv) $47,437,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for water, sanitary sewer and drainage facilities, (v) $36,420,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for road facilities, and (vi) $9,775,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of refunding outstanding bonds for recreational facilities, and the District may issue additional bonds which may be voted hereafter. After reimbursement to the Developer with proceeds of the Bonds, approximately $72,260,000 in reimbursements will remain owed to the Developer. The District anticipates selling additional bonds in the future. The District has authorized the preparation and submittal of a bond application to the TCEQ requesting approval to sell approximately $8,000,000 principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities. The District expects TCEQ approval and issuance of such bonds in the third quarter of 2027. See "THE BONDS—Issuance of Additional Debt." The issuance of such future obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities or park facilities must be approved by the TCEQ.

Potential Effects of Oil Price Volatility on the Houston Area

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values or homebuilding activity in the District.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 25, 2017, and brought historic levels of rainfall during the successive four days.

If a future weather event significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or man-made drainage systems (canals or channels).

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, if it fails to make payments into any fund or funds created in the Bond Resolution, or if it defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution , the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution 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 Resolution 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.

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

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

A district may not be forced into bankruptcy involuntarily.

Environmental Regulations

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

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

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

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a "severe" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "serious" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area 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 HGB 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 HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

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

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

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

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

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

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

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

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

Continuing Compliance with Certain Covenants

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

Marketability

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

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 tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers should consult with their own tax advisors with respect to any proposed, pending or future legislation.

Cybersecurity

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

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

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

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

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without legal limitation as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS," "THE DISTRICT—General," "WATER SUPPLY AND WASTEWATER TREATMENT—Wholesale Agreement for Water and Wastewater Service," "TAX PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Allen Boone Humphries Robinson LLP also serves as General Counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. The legal fees paid to Allen Boone Humphries Robinson LLP in its capacity as General Counsel are based on time charges actually incurred.

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

Not Qualified Tax-Exempt Obligations

The Bonds have not been designated "qualified tax-exempt obligations" for financial institutions.

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

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

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "—Tax Exemption," "—Additional Federal Income Tax Considerations—*Collateral Tax Consequences*" and "Additional Federal Income Tax Considerations—*Tax Legislative Changes*" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

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

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues 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 OID 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 (i) 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 (ii) the amounts payable as current interest during such accrual period on such Bond.

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

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could 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 recently enacted, proposed, pending or future legislation.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was tendered by Robert W. Baird Co., Inc. (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of 97.0000% of the principal amount thereof which resulted in a net effective interest rate of 5.522463% as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed at any time by the Underwriter 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 Underwriter may over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

Securities Laws

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) to the Bonds with the understanding that, upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM" or the "Insurer"). No application has been made to a municipal rating company for an underlying rating on the Bonds, nor is it expected that the District would have received an investment grade rating if application had been made. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

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

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

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

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

Additional Information Available from BAM

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

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

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

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

In approving this Official Statement, the District has relied upon the following consultants.

Engineer: The information contained in this Official Statement relating to engineering matters and to the description of the System and in particular that of engineering related information included in the sections entitled "THE DISTRICT," "THE ROAD SYSYTEM" and "WATER SUPPLY AND WASTEWATER TREATMENT" has been provided by Quiddity Engineering, LLC, and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering. Information related to the status of development within these sections was prepared with assistance from the Developer.

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Harris Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Harris County, including within the District.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the assessed valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Utility Tax Service, LLC, and is included herein in reliance upon the authority of said firm as an expert in assessing and collecting taxes.

Auditor: The financial statements of the District as of April 30, 2026, and for the year then ended, have been audited by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's audited financial statements for the fiscal year ended April 30, 2026.

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "FINANCIAL STATEMENT," "TAX DATA," "WATER AND SEWER OPERATIONS," and "DEBT SERVICE REQUIREMENTS" and in APPENDIX A (Independent Auditor's Report and Financial Statements of the District). 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 by the District shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

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

Event Notices

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

Availability of Information from MSRB

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

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and Beneficial Owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

Since its first issuance of bonds in 2023, the District has complied in all material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

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

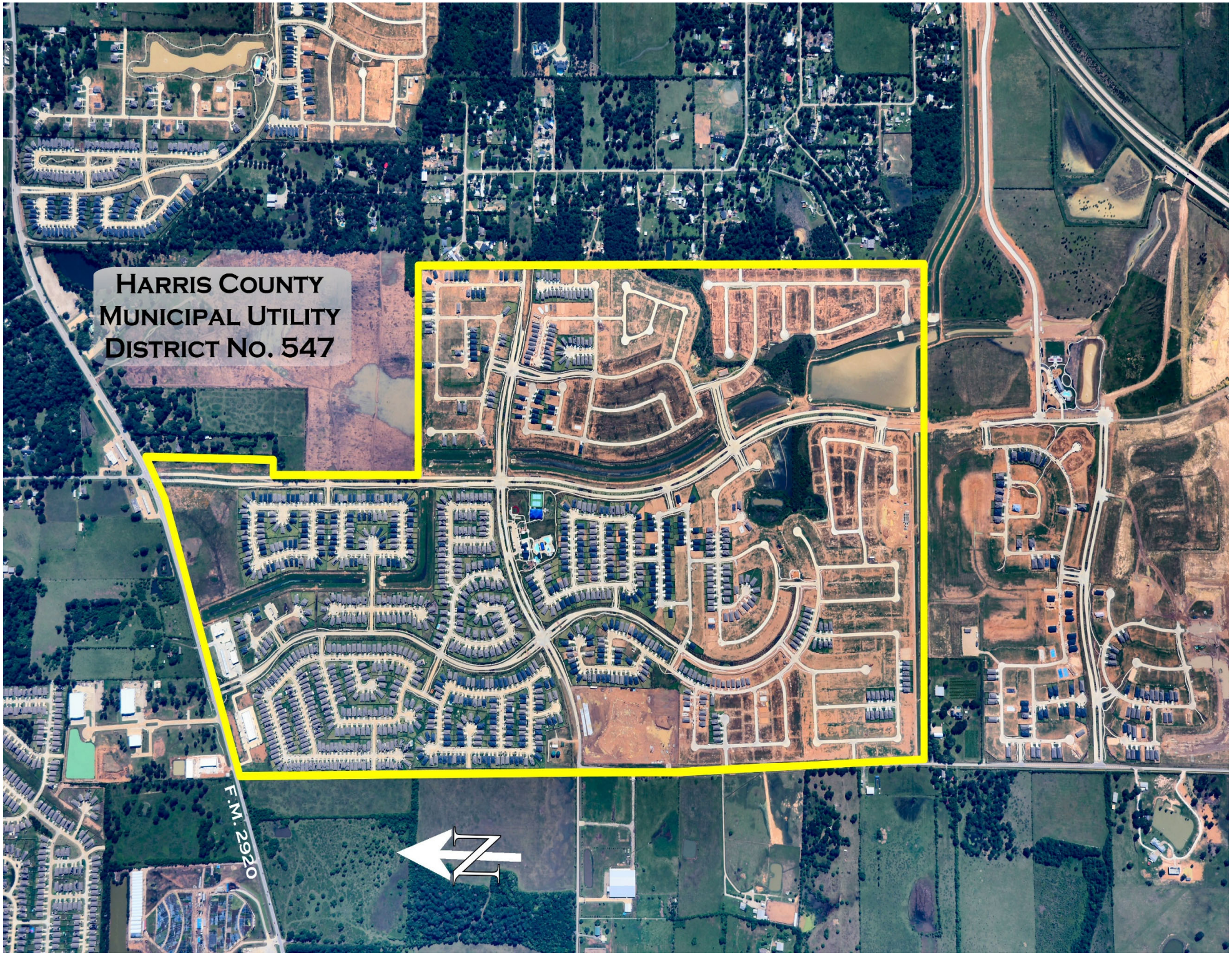
This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 547, as of the date shown on the cover page.

/s/ Joetta Bowie
President, Board of Directors
Harris County Municipal Utility District No. 547

ATTEST:

/s/ John Michael Rose II
Secretary, Board of Directors
Harris County Municipal Utility District No. 547

AERIAL PHOTOGRAPH
(Approximate boundaries of the District as of May 2026)


HARRIS COUNTY
MUNICIPAL UTILITY
DISTRICT NO. 547
F.M. 2920

PHOTOGRAPHS OF THE DISTRICT
(Taken May 2026)










SOLD


SOLD




LENNAR




Exxon
RoadTrac
Bonita Boom
TACOS
Regular Cash
3.89 9
Regular Credit
3.99 9
Diesel Efficient
4.95 9
Synergy
Exxon


LOUISIANA KITCHEN
POPEYES
Love That Chicken.


VIBRANT
FAMILY DENTISTRY
LEASING INFO:
713-782-9080
COMING SOON
LA DOLCE NAIL SPA

APPENDIX A

Independent Auditor's Report and Financial Statements for the fiscal year ended April 30, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

APRIL 30, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal Utility District No. 547
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 547 (the "District") as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of April 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Harris County Municipal
Utility District No. 547

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

July 23, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2026

Management's discussion and analysis of Harris County Municipal Utility District No. 547's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2026. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all the District's assets, liabilities and, if applicable, deferred inflows and outflows 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 three governmental fund types. The General Fund accounts for service revenues, property tax revenues, developer advances, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed, or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $41,169,822 as of April 30, 2026. A portion of the District's net position reflects its net investment in capital assets (land, water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 6,208,296	$ 3,765,903	$ 2,442,393
Capital Assets (Net of Accumulated Depreciation)	37,274,577	28,309,591	8,964,986
Total Assets	$ 43,482,873	$ 32,075,494	$ 11,407,379
Due to Developer	$ 41,820,622	$ 28,553,739	$ (13,266,883)
Bonds Payable	35,191,222	20,693,344	(14,497,878)
Other Liabilities	7,640,851	4,148,394	(3,492,457)
Total Liabilities	$ 84,652,695	$ 53,395,477	$ (31,257,218)
Net Position:			
Net Investment in Capital Assets	$ (45,776,808)	$ (24,228,335)	$ (21,548,473)
Restricted	2,768,856	1,905,896	862,960
Unrestricted	1,838,130	1,002,456	835,674
Total Net Position	$ (41,169,822)	$ (21,319,983)	$ (19,849,839)

The following table provides a summary of the District's operations for the year ended April 30, 2026, and April 30, 2025.

	Summary of Changes in the Statement of Activities		
	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 3,227,550	$ 2,088,739	$ 1,138,811
Charges for Services	2,768,436	1,884,467	883,969
Other Revenues	255,988	421,025	(165,037)
Total Revenues	$ 6,251,974	$ 4,394,231	$ 1,857,743
Expenses for Services	26,101,813	12,581,013	(13,520,800)
Change in Net Position	$ (19,849,839)	$ (8,186,782)	$ (11,663,057)
Net Position, Beginning	(21,319,983)	(13,133,201)	(8,186,782)
Net Position, Ending	$ (41,169,822)	$ (21,319,983)	$ (19,849,839)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's combined fund balances as of April 30, 2026, were a deficit of $1,036,617, a decrease of $878,942 from the prior year.

The General Fund fund balance increased by $809,356, primarily due to property tax revenues and service revenues exceeding current year operating expenditures.

The Debt Service Fund fund balance increased by $1,060,400, primarily due to the structure of the District's debt service requirements and the receipt of capitalized interest from current year bond sale.

The Capital Projects Fund fund balance decreased by $2,748,698. The District sold the Series 2025 Bond Anticipate Note, Series 2025 Tax Bonds and Series 2025 Road Bonds to reimburse its developers for construction and engineering costs. The District also paid off the Series 2024 Bond Anticipation Note. See Note 12 for more information.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current year. Actual revenues were $1,395,057 more than budgeted and actual expenditures were $1,548,738 more than budgeted expenditures. This resulted in a negative budget variance of $153,681. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of April 30, 2026, total $37,274,577 (net of accumulated depreciation) and include the water, wastewater and drainage systems. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 3,857,589	$ 4,092,283	$ (234,694)
Capital Assets, Net of Accumulated Depreciation:			
Water Facilities	4,941,231	3,173,460	1,767,771
Wastewater Facilities	7,007,942	4,357,458	2,650,484
Drainage Facilities	21,467,815	16,686,390	4,781,425
Total Net Capital Assets	$ 37,274,577	$ 28,309,591	$ 8,964,986

LONG-TERM DEBT

As of April 30, 2026, the District recorded an amount due to Developer of $41,820,622 which consists of advances made and construction costs funded by the Developer.

At the end of the current fiscal year, the District had total long-term debt payable of $35,010,000. The changes in the debt position of the District during the fiscal year ended April 30, 2026, are summarized as follows:

Bond Debt Payable, May 1, 2025	$ 20,495,000
Add: Bond Sale	14,750,000
Less: Bond Principal Paid	235,000
Bond Debt Payable, April 30, 2026	$ 35,010,000

The District's bonds do not carry an underlying rating. The District's Series 2023 Bonds, Series 2024 Road bonds and Series 2025 bonds have an insured rating of "AA" based on bond insurance issued by Build America Mutual Assurance Company. The District's Series 2023A Road Bonds and Series 2025A Road Bonds have an insured rating of "AA" based on bond insurance issued by Assured Guaranty. The above ratings are as of April 30, 2026 and reflect all ratings changes through that date.

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 Harris County Municipal Utility District No. 547, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
APRIL 30, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 7,038	$ 57,428
Investments	2,325,196	3,082,666
Receivables:		
Property Taxes	47,844	54,679
Penalty and Interest on Delinquent Taxes		
Service Accounts	247,497	
Due from Other Funds	44,302	81,759
Prepaid Costs	250	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 2,672,127	$ 3,276,532
LIABILITIES		
Accounts Payable	$ 393,588	$ 1,014
Accrued Interest Payable		
Due to Developers		
Due to Other Funds	81,759	
Security Deposits	366,851	
Bond Anticipation Note Payable		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 842,198	$ 1,014
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 47,844	$ 54,679
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 250	$
Restricted for Construction		
Restricted for Debt Service		3,220,839
Unassigned	1,781,835	
TOTAL FUND BALANCES	$ 1,782,085	$ 3,220,839
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,672,127	$ 3,276,532
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 324,470	$ 388,936	$	$ 388,936
53,027	5,460,889		5,460,889
	102,523		102,523
		8,201	8,201
	247,497		247,497
	126,061	(126,061)	
	250		250
		3,857,589	3,857,589
		33,416,988	33,416,988
$ 377,497	$ 6,326,156	$ 37,156,717	$ 43,482,873
$ 1,888	$ 396,490	$	$ 396,490
97,848	97,848	506,662	604,510
		41,820,622	41,820,622
44,302	126,061	(126,061)	
	366,851		366,851
6,273,000	6,273,000		6,273,000
		570,000	570,000
		34,621,222	34,621,222
$ 6,417,038	$ 7,260,250	$ 77,392,445	$ 84,652,695
$ -0-	$ 102,523	$ (102,523)	$ -0-
$	$ 250	$ (250)	$
(6,039,541)	(6,039,541)	6,039,541	
	3,220,839	(3,220,839)	
	1,781,835	(1,781,835)	
$ (6,039,541)	$ (1,036,617)	$ 1,036,617	$ -0-
$ 377,497	$ 6,326,156		
		$ (45,776,808)	$ (45,776,808)
		2,768,856	2,768,856
		1,838,130	1,838,130
		$ (41,169,822)	$ (41,169,822)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2026

Total Fund Balances - Governmental Funds		$ (1,036,617)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		37,274,577
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		110,724
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	$ (41,820,622)	
Accrued Interest Payable	(506,662)	
Bonds Payable	(35,191,222)	(77,518,506)
Total Net Position - Governmental Activities		$ (41,169,822)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,488,071	$ 1,700,609
Water Service	708,684	
Wastewater Service	476,829	
Water Authority Fees	297,317	
Penalty and Interest	33,447	25,476
Tap and Inspection Fees	1,218,482	
Investment and Miscellaneous Revenues	136,027	79,608
TOTAL REVENUES	$ 4,358,857	$ 1,805,693
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 352,365	$ 4,500
Contracted Services	341,534	36,211
Purchased Water Service	408,077	
Purchased Wastewater Service	631,675	
Water Authority Assessments	286,757	
Repairs and Maintenance	557,919	
Depreciation		
Other	971,174	9,199
Conveyance of Assets		
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Principal		235,000
Bond Interest		1,171,458
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 3,549,501	$ 1,456,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 809,356	$ 349,325
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$	$ 711,075
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 711,075
NET CHANGE IN FUND BALANCES	$ 809,356	$ 1,060,400
CHANGE IN NET POSITION		
FUND BALANCES(DEFICIT)/NET POSITION - MAY 1, 2025	972,729	2,160,439
FUND BALANCES(DEFICIT)/NET POSITION - APRIL 30, 2026	$ 1,782,085	$ 3,220,839

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 3,188,680	$ 38,870	$ 3,227,550
	708,684		708,684
	476,829		476,829
	297,317		297,317
	58,923	8,201	67,124
	1,218,482		1,218,482
275,047	490,682	(234,694)	255,988
$ 275,047	$ 6,439,597	$ (187,623)	$ 6,251,974
$ 36,747	$ 393,612	$	$ 393,612
	377,745		377,745
	408,077		408,077
	631,675		631,675
	286,757		286,757
6,725	564,644		564,644
		721,432	721,432
638	981,011		981,011
7,714,503	7,714,503	10,500,491	18,214,994
605,307	605,307		605,307
7,154,720	7,154,720	(7,154,720)	
	235,000	(235,000)	
	1,171,458	209,996	1,381,454
1,535,105	1,535,105		1,535,105
$ 17,053,745	$ 22,059,614	$ 4,042,199	$ 26,101,813
$ (16,778,698)	$ (15,620,017)	$ (4,229,822)	$ (19,849,839)
$ 14,038,925	$ 14,750,000	$ (14,750,000)	$
(409,234)	(409,234)	409,234	
400,309	400,309	(400,309)	
$ 14,030,000	$ 14,741,075	$ (14,741,075)	$ -0-
$ (2,748,698)	$ (878,942)	$ 878,942	$
		(19,849,839)	(19,849,839)
(3,290,843)	(157,675)	(21,162,308)	(21,319,983)
$ (6,039,541)	$ (1,036,617)	$ (40,133,205)	$ (41,169,822)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED APRIL 30, 2026

Net Change in Fund Balances - Governmental Funds	$	(878,942)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		38,870
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		8,201
Proceeds from the sale of land previously capitalized are reported as revenue in the governemental funds. However, in the Statement of Activities, the carrying value of the land is removed from capital assets, and the proceeds are not recognized as revenue.		(234,694)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and the depreciation expense is recorded in the Statement of Activities.		(721,432)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		7,154,720
Governmental funds report bond premiums/discounts as other financing sources/uses in the year received/paid. However, in the Statement of Net Position, the bond premiums/discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		8,925
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		235,000
In the Statement of Activities, conveyance of assets to other governmental units is recorded as an expense.		(10,500,491)
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(209,996)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(14,750,000)
Change in Net Position - Governmental Activities	$	(19,849,839)

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

NOTE 1. CREATION OF DISTRICT

The District was created by an order of the Texas Commission on Environmental Quality (the "Commission"), effective April 5, 2017, in accordance with the Texas Water Code, Chapters 49 and 54. The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, to construct roads, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on March 19, 2019, and the District's first bonds closed on November 17, 2023.

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.

Financial Statement Presentation

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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's the District's policy to use restricted resources first.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund

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

General Fund - To account for service revenues, property tax revenues, developer advances, operating costs and general expenditures.

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of April 30, 2026, the Capital Projects Fund owed the General Fund $44,302 for bond issuance costs and the General Fund owed the Debt Service Fund $81,759 for an over transfer of maintenance taxes.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost of $5,000 or more and a useful life of two or more years following the date of acquisition. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45

Budgeting

An annual unappropriated 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 amended 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 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Series 2023	Road Series 2023A	Road Series 2024
Amount Outstanding – April 30, 2026	$ 5,085,000	$ 6,175,000	$ 9,000,000
Interest Rates	5.00% - 7.00%	4.25% - 6.75%	4.00% - 6.50%
Maturity Date	August 1, 2026/2049	August 1, 2026/2049	August 1, 2026/2050
Interest Payment Dates	August1/ February 1	August1/ February 1	August1/ February 1
Callable Dates	August 1, 2030*	August 1, 2030*	August 1, 2031*

	Series 2025	Road Series 2025A
Amount Outstanding – April 30, 2026	$ 5,750,000	$ 9,000,000
Interest Rates	4.00% - 6.50%	4.00% - 6.50%
Maturity Date	August 1, 2026/2051	August 1, 2027/2052
Interest Payment Dates	August1/ February 1	August1/ February 1
Callable Dates	August 1, 2031*	August 1, 2031*

* Or on any date thereafter, at par plus unpaid accrued interest to the date of redemption, in whole or in part, at the option of the District. Series 2023 term bonds due August 1, 2032, 2034, 2037 and 2049 are subject to mandatory redemption by random selection beginning August 1, 2031, 2033, 2035 and 2047, respectively. Series 2024 Road term bonds due August 1, 2037 are subject to mandatory redemption by random selection beginning August 1, 2036. Series 2025A Road term bonds due August 1, 2038, 2042, 2045, 2048, 2050, and 2052 are subject to mandatory redemption by random selection beginning August 1, 2037, 2040, 2043, 2046, 2049 and 2051, respectively.

On the following page is a summary of transactions regarding bonds payable for the year ended April 30, 2026:

NOTE 3. LONG-TERM DEBT (Continued)

	May 1, 2025	Additions	Retirements	April 30, 2026
Bonds Payable	$ 20,495,000	$ 14,750,000	$ 235,000	$ 35,010,000
Unamortized Discounts		(409,234)	(7,269)	(401,965)
Unamortized Premiums	198,344	400,309	15,466	583,187
Bonds Payable, Net	$ 20,693,344	$ 14,741,075	$ 243,197	$ 35,191,222

Amount Due Within One Year	$ 570,000
Amount Due After One Year	34,621,222
Bonds Payable, Net	$ 35,191,222

As of April 30, 2026, the District had authorized but unissued bonds in the amount of $147,180,000 for the purchase or construction of water, sewer, and drainage facilities and $47,437,000 for the refunding of bonds issued for same, $32,585,000 for the purchase or construction of parks and recreational facilities and $9,775,000 for the refunding of bonds issued for same, and $97,100,000 for the purchase or construction of road facilities and $36,420,000 for the refunding of bonds for same.

As of April 30, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 570,000	$ 1,765,491	$ 2,335,491
2028	780,000	1,637,950	2,417,950
2029	815,000	1,585,124	2,400,124
2030	860,000	1,529,649	2,389,649
2031	895,000	1,471,531	2,366,531
2032-2036	5,175,000	6,467,295	11,642,295
2037-2041	6,545,000	5,131,089	11,676,089
2042-2046	8,255,000	3,501,873	11,756,873
2047-2051	9,615,000	1,407,238	11,022,238
2052-2053	1,500,000	59,329	1,559,329
	$ 35,010,000	$ 24,556,569	$ 59,566,569

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended April 30, 2026, the District levied an ad valorem debt service tax at the rate of $0.80 per $100 of assessed valuation, which resulted in a tax levy of $1,721,926 on the adjusted taxable valuation of $215,240,795 for the 2025 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors, the profits realized from interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross debt proceeds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of the issuance of the debt.

The bond resolutions state that the District is required to provide to the state information depository continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $388,936 and the bank balance was $566,379. The District was not exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at April 30, 2026, as listed below:

	Cash
GENERAL FUND	$ 7,038
DEBT SERVICE FUND	57,428
CAPITAL PROJECTS FUND	324,470
TOTAL DEPOSITS	$ 388,936

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act. The District invests in TexSTAR, an external investment pool that is not SEC-registered. Hilltop Securities Inc. and JPMorgan Chase manage the daily operations of TexSTAR. TexSTAR meets the criteria established in GASB Statement No. 79 and measures all of their portfolio assets at amortized cost. As a result, the District also measures its investments in TexSTAR at amortized cost for financial reporting.

As of April 30, 2026, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexSTAR	$2,325,196	$2,325,196
DEBT SERVICE FUND		
TexSTAR	3,082,666	3,082,666
CAPITAL PROJECTS FUND		
TexSTAR	53,027	53,027
TOTAL INVESTMENTS	$5,460,889	$5,460,889

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 30, 2026, the District's investment in TexSTAR was rated AAAm by Standard and Poor's. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexSTAR to have a maturity of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

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

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2026 is as follows:

	May 1, 2025	Increases	Decreases	April 30, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 4,092,283	$ - 0 -	$ 234,694	$ 3,857,589
Capital Assets Subject to Depreciation				
Water Facilities	$ 3,320,553	$ 1,878,694	$	$ 5,199,247
Wastewater Facilities	4,552,008	2,796,531		7,348,539
Drainage Facilities	17,440,179	5,245,887		22,686,066
Total Capital Assets Subject to Depreciation	$ 25,312,740	$ 9,921,112	$ - 0 -	$ 35,233,852
Accumulated Depreciation				
Water Facilities	$ 147,093	$ 110,923	$	$ 258,016
Wastewater Facilities	194,550	146,047		340,597
Drainage Facilities	753,789	464,462		1,218,251
Total Accumulated Depreciation	$ 1,095,432	$ 721,432	$ - 0 -	$ 1,816,864
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 24,217,308	$ 9,199,680	$ - 0 -	$ 33,416,988
Total Capital Assets, Net of Accumulated Depreciation	$ 28,309,591	$ 9,199,680	$ 234,694	$ 37,274,577

NOTE 7. MAINTENANCE TAX

On November 2, 2021, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. During the fiscal year ended April 30, 2026, the District levied an ad valorem maintenance tax rate of $0.70 per $100 of assessed valuation, which resulted in a tax levy of $1,506,686 on the adjusted taxable valuation of $215,240,795 for the 2025 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose.

On November 2, 2021, the voters of the District approved the levy and collection of a road maintenance tax not the exceed $0.25 per $100 of assessed valuation to be used for constructing and maintaining the District's roads. As of April 30, 2026, the District has not levied a road maintenance tax.

NOTE 8. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the 75th Texas Legislature, in 1999. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions.

The Authority is overseeing its participants comply with subsidence district pumpage requirements. The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. Effective October 1, 2024, the fee charged per 1,000 gallons of water pumped from each well is $2.60. The District recorded expenditures of $286,757 for fees assessed during the current fiscal year as a pass-through fee charged in accordance with the agreement discussed in Note 9.

NOTE 9. WHOLESALE AGREEMENT

On March 31, 2021, Quadvest, L.P. ("Quadvest"), LT Cypress Green 634 LLC ("Customer"), McCallister Opportunity Fund 2012, L.P., and McCallister Opportunity Fund 2014, L.P. ("McCallister") entered into a wholesale agreement for water and wastewater service. On August 25, 2022, the agreement was assigned to the District. The agreement outlines how the parties to the agreement will participate in the construction, ownership, operation, and maintenance of a water and wastewater system to serve 2,500 equivalent single-family connections within the

NOTE 9. WHOLESALE AGREEMENT (Continued)

District. Quadvest will be responsible for constructing, owning and operating the water and wastewater plants. The District will be responsible to the internal water and wastewater lines within the District. The District will pay to Quadvest $575 per water ESFC and $705 per wastewater ESFC for capacity in Quadvest's plants. Quadvest will charge the District an initial cost for wholesale water service at $3.70 per 1,000 gallons of water that passes through the interconnect. Quadvest will charge the District $55/month per ESFC for wastewater service. These rates will be effective for five years. During the current fiscal year, the District recorded purchased water and wastewater in the amounts of $408,077 and $631,675, respectively, in accordance with this agreement.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the last three years.

NOTE 11. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with a Developer within the District which provides for the Developer to make payments on behalf of the District for various projects and operating advances. The District has an obligation to reimburse the Developer for these costs from future bond issues to the extent approved by the Commission. The District has recorded a total liability to the Developer of $41,820,622 for operating advances and developer projects that have been completed as of April 30, 2026. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developer. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs for operating advances:

Due to Developer, beginning of year	$ 28,553,739
Additions	20,427,688
Reimbursements	(7,160,805)
Due to Developer, end of year	$ 41,820,622

NOTE 12. BOND SALES AND BOND ANTICIPATION NOTE

On December 4, 2025, the District sold a Series 2025 Bond Anticipation Note ("BAN") in the amount $6,273,000 at an interest rate of 3.82%. Proceeds of the BAN were used by the District to reimburse the Developer for a portion of the costs for Cypress Green Phase 1 and Phase 1B Excavation and Grading, Cypress Green Phase 1 Drainage Structures, Water and Sewer Facilities in Tuscan Terrace Drive and Holderrieth Road Street Dedication Reserves and Drainage Facilities, and Water, Sewer and Drainage Facilities in Cypress Green, Section 1 and 2. BAN proceeds were also used to fund the water and wastewater capacity capital connections and to pay issuance costs of the BAN.

On September 26, 2025, the District closed on the sale of its $5,750,000 Series 2025 Unlimited Tax Bonds. Proceeds were used to reimburse the Developer for a portion of the construction costs for Cypress Green Phase 1 Drainage Structures and Water and Wastewater Capacity Connection Fees. Bond proceeds were also used to fund the acquisition of Drainage Channel Land Costs, capitalized interest costs and to pay issuance costs of the bonds.

On November 21, 2025, the District closed on the sale of its $9,000,000 Series 2025A Unlimited Tax Road Bonds. Proceeds were used to reimburse the Developer for construction and engineering costs associated with the following: Paving for Tuscan Terrace Drive, Mason Road Sections 1 and 2, Cypress Green Sections 12, 13, 14, 15, 16, 17, 18, Cypress Green Holderrieth Road Section 6, Tuscan Terrace Drive Median Improvements. Bond proceeds were also used to fund capitalized interest costs and to pay issuance costs of the bonds.

NOTE 13. DEFICIT FUND BALANCE

As of April 30, 2026, the District's Capital Projects Fund had a deficit fund balance of $6,039,541. The District anticipates that the future bond sale will repay the Bond Anticipation Note and alleviate the deficit fund balance. See Note 15 for more information.

NOTE 14. PENDING USE OF SURPLUS FUNDS

Subsequent to year end, on July 23, 2026, the District anticipates using surplus road bond funds from the Capital Projects Fund to reimburse the Developer for construction costs associated with Cypress Green, Section 17 Paving Improvements. The reimbursement will be funded from excess road bond proceeds remaining in the Capital Projects Fund.

NOTE 15. PENDING BOND SALE

As of April 30, 2026, the District has a pending Series 2026 bond application with the Commission to approve $12,500,000 of Unlimited Tax Bonds that will pay for construction and engineering associated with Cypress Green Phase 1 and Phase 1B Excavation and Grading, Cypress Green Phase 1 Drainage Structures, Water, Sewer and Drainage facilities in Cypress Green Section 1 and 2, Water and Sewer Facilities in Tuscan Terrace Drive and Holderrieth Road Street Dedication Reserves and Drainage Facilities and to pay off the Series 2025 Bond Anticipation Note and pay bond issuance costs. The delivery of the bonds is expected on or about August 28, 2026.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547

REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,400,000	$ 1,488,071	$ 88,071
Water Service	525,000	708,684	183,684
Wastewater Service	370,000	476,829	106,829
Water Authority Fees	175,000	297,317	122,317
Tap and Inspection Revenue	481,800	1,218,482	736,682
Penalty and Interest	10,000	33,447	23,447
Investment and Miscellaneous Revenues	2,000	136,027	134,027
TOTAL REVENUES	$ 2,963,800	$ 4,358,857	$ 1,395,057
EXPENDITURES			
Service Operations:			
Professional Fees	$ 252,500	$ 352,365	$ (99,865)
Contracted Services	343,079	341,534	1,545
Purchased Water	200,000	408,077	(208,077)
Purchased Wastewater	504,900	631,675	(126,775)
Utilities	2,500		2,500
Water Authority Assessments	200,000	286,757	(86,757)
Repairs and Maintenance	300,000	557,919	(257,919)
Other	197,784	971,174	(773,390)
TOTAL EXPENDITURES	$ 2,000,763	$ 3,549,501	$ (1,548,738)
NET CHANGE IN FUND BALANCE	$ 963,037	$ 809,356	$ (153,681)
FUND BALANCE - MAY 1, 2025	972,729	972,729	
FUND BALANCE - APRIL 30, 2026	$ 1,935,766	$ 1,782,085	$ (153,681)

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

APRIL 30, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2026

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

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

Based on the rate order effective on April 1, 2026.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 46.00	10,000	N	$ 4.30	10,001 and up
WASTEWATER:	$ 49.00		Y		
SURCHARGE: Regional Water Authority			N	$2.86	0,001 and up

District employs winter averaging for wastewater usage?

Yes	No
	X

Total monthly charges per 10,000 gallons usage: Water: $46.00 Wastewater: $49.00 Surcharges: $28.60

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2026

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"	1,241	1,231	x 1.0	1,231
1"	19	19	x 2.5	48
1½"	8	8	x 5.0	40
2"	26	26	x 8.0	208
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
12"	1	1	x 115.0	115
Total Water Connections	1,295	1,285		1,642
Total Wastewater Connections	1,242	1,232	x 1.0	1,232

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

Water Accountability Ratio: 97.65 %
(Gallons billed and sold/Gallons pumped and purchased)

Gallons billed to customers:	105,390,000	
Gallons purchased:	107,928,000	From: Quadvest Wholesale LLC

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2026

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:

Harris 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 Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2026

PROFESSIONAL FEES:		
Auditing	$	17,000
Engineering		183,925
Legal		151,440
TOTAL PROFESSIONAL FEES	$	352,365
PURCHASED WATER SERVICE		
Purchased Water Service	$	408,077
Purchased Wastewater Service		631,675
TOTAL PURCHASED SERVICES FOR RESALE	$	1,039,752
CONTRACTED SERVICES:		
Bookkeeping	$	14,625
Operations and Billing		86,734
Solid Waste Disposal		240,175
TOTAL CONTRACTED SERVICES	$	341,534
REPAIRS AND MAINTENANCE	$	557,919
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	11,930
Dues		750
Insurance		6,388
Legal Notices		1,412
Office Supplies and Postage		2,226
Travel and Meetings		4,075
Other		11,473
TOTAL ADMINISTRATIVE EXPENDITURES	$	38,254
TAP CONNECTIONS	$	484,409
OTHER EXPENDITURES:		
Laboratory Fees	$	3,797
Permit Fees		878
Inspection Fees		136,790
Condemnation Expenses		300,715
Water Authority Assessments		286,757
Regulatory Assessment		6,331
TOTAL OTHER EXPENDITURES	$	735,268
TOTAL EXPENDITURES	$	3,549,501

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
INVESTMENTS
APRIL 30, 2026

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexSTAR	XXXX2220	Varies	Daily	$ 2,325,196	$ - 0 -
DEBT SERVICE FUND					
TexSTAR	XXXX3330	Varies	Daily	$ 929,938	$
TexSTAR	XXXX3331	Varies	Daily	2,152,728	
TOTAL DEBT SERVICE FUND				$ 3,082,666	$ - 0 -
CAPITAL PROJECTS FUND					
TexSTAR	XXXX4440	Varies	Daily	$ 572	$
TexSTAR	XXXX4441	Varies	Daily	52,455	
TOTAL CAPITAL PROJECTS FUND				$ 53,027	$ - 0 -
TOTAL - ALL FUNDS				$ 5,460,889	$ - 0 -

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - MAY 1, 2025	$ 29,727		$ 33,926	
Adjustments to Beginning Balance	(498)	$ 29,229	(564)	$ 33,362
Original 2025 Tax Levy	$ 1,368,327		$ 1,563,802	
Adjustment to 2025 Tax Levy	138,359	1,506,686	158,124	1,721,926
TOTAL TO BE ACCOUNTED FOR		$ 1,535,915		$ 1,755,288
TAX COLLECTIONS:				
Prior Years	$ 29,229		$ 33,362	
Current Year	1,458,842	1,488,071	1,667,247	1,700,609
TAXES RECEIVABLE - APRIL 30, 2026		$ 47,844		$ 54,679
TAXES RECEIVABLE BY YEAR:				
2025		$ 47,844		$ 54,679

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2026

	2025	2024	2023	2022
PROPERTY VALUATIONS:				
Land	$ 65,606,613	$ 45,988,684	$ 35,265,404	$ 518,866
Improvements	156,807,888	90,602,952	9,972,722	85,165
Personal Property	3,010,539	1,481,814	69,844	31,910
Exemptions	(10,184,245)	(5,148,806)	(457,797)	
TOTAL PROPERTY VALUATIONS	$ 215,240,795	$ 132,924,644	$ 44,850,173	$ 635,941
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.80	$ 0.80	$ 0.75	$ 0.00
Maintenance	0.70	0.70	0.75	1.50
TOTAL TAX RATES PER $100 VALUATION	$ 1.50	$ 1.50	$ 1.50	$ 1.50
ADJUSTED TAX LEVY*	$ 3,228,612	$ 1,993,869	$ 672,752	$ 9,539
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	96.82 %	100.00 %	100.00 %	100.00 %

Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by voters on November 2, 2021

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

Due During Fiscal Years Ending April 30	SERIES-2023		
	Principal Due August 1	Interest Due August 1/ February 1	Total
2027	$ 120,000	$ 269,150	$ 389,150
2028	125,000	260,575	385,575
2029	130,000	251,650	381,650
2030	135,000	242,375	377,375
2031	140,000	232,750	372,750
2032	150,000	222,600	372,600
2033	155,000	211,925	366,925
2034	165,000	202,375	367,375
2035	170,000	194,000	364,000
2036	180,000	185,250	365,250
2037	190,000	176,000	366,000
2038	195,000	166,375	361,375
2039	205,000	156,375	361,375
2040	215,000	145,875	360,875
2041	225,000	134,875	359,875
2042	235,000	123,375	358,375
2043	250,000	111,250	361,250
2044	260,000	98,500	358,500
2045	270,000	85,250	355,250
2046	285,000	71,375	356,375
2047	300,000	56,750	356,750
2048	315,000	41,375	356,375
2049	325,000	25,375	350,375
2050	345,000	8,625	353,625
2051			
2052			
2053			
	$ 5,085,000	$ 3,674,025	$ 8,759,025

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

Due During Fiscal Years Ending April 30	SERIES-2023A ROAD		
	Principal Due August 1	Interest Due August 1/ February 1	Total
2027	$ 130,000	$ 305,712	$ 435,712
2028	135,000	296,769	431,769
2029	145,000	287,319	432,319
2030	155,000	277,194	432,194
2031	160,000	266,562	426,562
2032	170,000	255,425	425,425
2033	180,000	243,612	423,612
2034	190,000	233,500	423,500
2035	200,000	225,212	425,212
2036	210,000	216,369	426,369
2037	220,000	206,962	426,962
2038	235,000	196,862	431,862
2039	245,000	186,063	431,063
2040	260,000	174,538	434,538
2041	275,000	162,166	437,166
2042	290,000	149,100	439,100
2043	305,000	135,150	440,150
2044	325,000	120,188	445,188
2045	340,000	104,394	444,394
2046	360,000	87,769	447,769
2047	380,000	70,194	450,194
2048	400,000	51,669	451,669
2049	420,000	31,931	451,931
2050	445,000	10,847	455,847
2051			
2052			
2053			
	$ 6,175,000	$ 4,295,507	$ 10,470,507

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

Due During Fiscal Years Ending April 30	SERIES-2024 ROAD		
	Principal Due August 1	Interest Due August 1/ February 1	Total
2027	$ 200,000	$ 400,731	$ 600,731
2028	210,000	387,406	597,406
2029	220,000	373,431	593,431
2030	230,000	358,806	588,806
2031	240,000	343,531	583,531
2032	250,000	327,606	577,606
2033	265,000	311,034	576,034
2034	275,000	297,088	572,088
2035	285,000	285,888	570,888
2036	300,000	274,188	574,188
2037	315,000	261,888	576,888
2038	330,000	248,988	578,988
2039	345,000	235,488	580,488
2040	360,000	221,388	581,388
2041	375,000	206,688	581,688
2042	390,000	191,388	581,388
2043	410,000	175,388	585,388
2044	425,000	158,688	583,688
2045	445,000	141,009	586,009
2046	465,000	122,241	587,241
2047	490,000	102,544	592,544
2048	510,000	81,600	591,600
2049	530,000	59,500	589,500
2050	555,000	36,444	591,444
2051	580,000	12,325	592,325
2052			
2053			
	$ 9,000,000	$ 5,615,276	$ 14,615,276

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

	SERIES-2025		
Due During Fiscal Years Ending April 30	Principal Due August 1	Interest Due August 1/ February 1	Total
2027	120,000	281,737	401,737
2028	125,000	273,775	398,775
2029	130,000	265,487	395,487
2030	140,000	256,712	396,712
2031	145,000	247,450	392,450
2032	150,000	237,862	387,862
2033	155,000	227,950	382,950
2034	165,000	218,272	383,272
2035	170,000	209,382	379,382
2036	180,000	201,532	381,532
2037	185,000	194,232	379,232
2038	195,000	186,510	381,510
2039	205,000	178,131	383,131
2040	215,000	169,072	384,072
2041	225,000	159,306	384,306
2042	235,000	148,956	383,956
2043	245,000	138,156	383,156
2044	255,000	126,907	381,907
2045	265,000	115,040	380,040
2046	280,000	102,437	382,437
2047	290,000	89,075	379,075
2048	305,000	74,944	379,944
2049	320,000	60,100	380,100
2050	335,000	44,125	379,125
2051	350,000	27,000	377,000
2052	365,000	9,125	374,125
2053			
	$ 5,750,000	$ 4,243,275	$ 9,993,275

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

	SERIES-2025AROAD		
Due During Fiscal Years Ending April 30	Principal Due August 1	Interest Due August 1/ February 1	Total
2027		508,161	508,161
2028	185,000	419,425	604,425
2029	190,000	407,237	597,237
2030	200,000	394,562	594,562
2031	210,000	381,238	591,238
2032	220,000	367,262	587,262
2033	230,000	352,637	582,637
2034	240,000	337,363	577,363
2035	255,000	321,275	576,275
2036	265,000	307,688	572,688
2037	280,000	296,788	576,788
2038	290,000	285,388	575,388
2039	305,000	273,487	578,487
2040	320,000	260,786	580,786
2041	335,000	246,858	581,858
2042	350,000	231,875	581,875
2043	365,000	216,234	581,234
2044	385,000	199,828	584,828
2045	400,000	182,656	582,656
2046	420,000	164,719	584,719
2047	440,000	145,908	585,908
2048	460,000	126,219	586,219
2049	485,000	105,547	590,547
2050	505,000	83,891	588,891
2051	530,000	61,250	591,250
2052	555,000	37,516	592,516
2053	580,000	12,688	592,688
	$ 9,000,000	$ 6,728,486	$ 15,728,486

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2026

Due During Fiscal Years Ending April 30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$ 570,000	$ 1,765,491	$ 2,335,491
2028	780,000	1,637,950	2,417,950
2029	815,000	1,585,124	2,400,124
2030	860,000	1,529,649	2,389,649
2031	895,000	1,471,531	2,366,531
2032	940,000	1,410,755	2,350,755
2033	985,000	1,347,158	2,332,158
2034	1,035,000	1,288,598	2,323,598
2035	1,080,000	1,235,757	2,315,757
2036	1,135,000	1,185,027	2,320,027
2037	1,190,000	1,135,870	2,325,870
2038	1,245,000	1,084,123	2,329,123
2039	1,305,000	1,029,544	2,334,544
2040	1,370,000	971,659	2,341,659
2041	1,435,000	909,893	2,344,893
2042	1,500,000	844,694	2,344,694
2043	1,575,000	776,178	2,351,178
2044	1,650,000	704,111	2,354,111
2045	1,720,000	628,349	2,348,349
2046	1,810,000	548,541	2,358,541
2047	1,900,000	464,471	2,364,471
2048	1,990,000	375,807	2,365,807
2049	2,080,000	282,453	2,362,453
2050	2,185,000	183,932	2,368,932
2051	1,460,000	100,575	1,560,575
2052	920,000	46,641	966,641
2053	580,000	12,688	592,688
	$ 35,010,000	$ 24,556,569	$ 59,566,569

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED APRIL 30, 2026

Description	Original Bonds Issued	Bonds Outstanding May 1, 2025
Harris County Municipal Utility District No. 547 Unlimited Tax Bonds - Series 2023	$ 5,195,000	$ 5,195,000
Harris County Municipal Utility District No. 547 Unlimited Tax Road Bonds - Series 2023A	6,300,000	6,300,000
Harris County Municipal Utility District No. 547 Unlimited Tax Road Bonds - Series 2024	9,000,000	9,000,000
Harris County Municipal Utility District No. 547 Unlimited Tax Bonds - Series 2025	5,750,000	
Harris County Municipal Utility District No. 547 Unlimited Tax Road Bonds - Series 2025A	9,000,000	
TOTAL	$ 35,245,000	$ 20,495,000

Bond Authority:	Tax Bonds*	Road Bonds	Park Bonds
Amount Authorized by Voters	$ 158,125,000	$ 121,400,000	$ 32,585,000
Amount Issued	10,945,000	24,300,000	
Remaining to be Issued	$ 147,180,000	$ 97,100,000	$ 32,585,000

Debt Service Fund cash, investments and due from paying agent balances as of April 30, 2026:	$ 3,140,094
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,206,169

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

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	April 30, 2026	Paying Agent
$	$ 110,000	$ 277,200	$ 5,085,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	125,000	314,319	6,175,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		480,759	9,000,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
5,750,000		99,180	5,750,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
9,000,000			9,000,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
$ 14,750,000	$ 235,000	$ 1,171,458	$ 35,010,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 1,488,071	$ 959,327	$ 325,118
Water Service	708,684	407,377	270,385
Wastewater Service	476,829	297,416	175,136
Water Authority Fees	297,317	172,309	155,669
Penalty and Interest	33,447	19,033	14,094
Tap and Inspection Fees	1,218,482	979,862	440,885
Investment and Miscellaneous Revenues	136,027	246,783	14,187
TOTAL REVENUES	$ 4,358,857	$ 3,082,107	$ 1,395,474
EXPENDITURES			
Professional Fees	$ 352,365	$ 298,052	$ 356,305
Contracted Services	341,534	201,767	120,401
Purchased Water Service	408,077	207,455	147,878
Purchased Wastewater Service	631,675	419,760	231,385
Water Authority Assessments	286,757	188,840	155,884
Repairs and Maintenance	557,919	187,634	193,545
Other	971,174	545,137	358,396
TOTAL EXPENDITURES	$ 3,549,501	$ 2,048,645	$ 1,563,794
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 809,356	$ 1,033,462	$ (168,320)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ -0-	$ -0-	$ 30,000
NET CHANGE IN FUND BALANCE	$ 809,356	$ 1,033,462	$ (138,320)
BEGINNING FUND BALANCE(DEFICIT)	972,729	(60,733)	77,587
ENDING FUND BALANCE(DEFICIT)	$ 1,782,085	$ 972,729	$ (60,733)

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
$ 9,539	$	34.1 %	31.2 %	23.2 %	1.5 %	%
55,624		16.3	13.2	19.4	8.9	
24,327		10.9	9.6	12.6	3.9	
10,707		6.8	5.6	11.2	1.7	
770		0.8	0.6	1.0	0.1	
514,460		28.0	31.8	31.6	82.0	
12,014		3.1	8.0	1.0	1.9	
$ 627,441	$ - 0 -	100.0 %	100.0 %	100.0 %	100.0 %	N/A %
$ 145,848	$ 162,805	8.1 %	9.7 %	25.5 %	23.2 %	%
36,350	5,750	7.8	6.5	8.6	5.8	
17,568		9.4	6.7	10.6	2.8	
32,615		14.5	13.6	16.6	5.2	
20,730		6.6	6.1	11.2	3.3	
80,647		12.8	6.1	13.9	12.9	
251,403	18,246	22.3	17.7	25.7	40.1	
$ 585,161	$ 186,801	81.5 %	66.4 %	112.1 %	93.3 %	N/A %
$ 42,280	$ (186,801)	18.5 %	33.6 %	(12.1) %	6.7 %	N/A %
$ 200,108	$ 22,000					
$ 242,388	$ (164,801)					
(164,801)						
$ 77,587	$ (164,801)					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 1,700,609	$ 1,087,985	$ 325,263
Penalty and Interest	25,476	8,470	
Miscellaneous Revenues	79,608	174,060	18,855
TOTAL REVENUES	$ 1,805,693	$ 1,270,515	$ 344,118
EXPENDITURES			
Tax Collection Expenditures	$ 48,410	$ 29,508	$ 17,552
Debt Service Principal	235,000		
Debt Service Interest and Fees	1,172,958	601,838	93,164
TOTAL EXPENDITURES	$ 1,456,368	$ 631,346	$ 110,716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 349,325	$ 639,169	$ 233,402
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ 711,075	$ 407,231	$ 880,637
NET CHANGE IN FUND BALANCE	$ 1,060,400	$ 1,046,400	$ 1,114,039
BEGINNING FUND BALANCE	2,160,439	1,114,039	
ENDING FUND BALANCE	$ 3,220,839	$ 2,160,439	$ 1,114,039
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,285	800	449
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,232	784	442

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
		94.2 %	85.6 %	94.5 %	%	%
		1.4	0.7			
		4.4	13.7	5.5		
$ - 0 -	$ - 0 -	100.0 %	100.0 %	100.0 %	N/A %	N/A %
		2.7 %	2.3 %	5.1 %	%	%
		13.0				
		65.0	47.4	27.1		
$ - 0 -	$ - 0 -	80.7 %	49.7 %	32.2 %	N/A %	N/A %
$ - 0 -	$ - 0 -	19.3 %	50.3 %	67.8 %	N/A %	N/A %
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
206	N/A					
200	N/A					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
April 30, 2026

District Mailing Address - Harris County Municipal Utility District No. 547
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended April 30, 2026	Expense Reimbursements for the year ended April 30, 2026	Title
Joetta Bowie	05/2024 - 05/2028 (Elected)	$ 3,094	$ 2,118	President
Margaret Rowell	05/2024 - 05/2028 (Elected)	$ 2,652	$ 221	Vice President
John Michael "Mike" Rose II	05/2026 - 05/2030 (Elected)	$ 1,547	$ 50	Secretary
Nicholas "Nick" P. Dickerson	05/2024 - 05/2028 (Elected)	$ 1,989	$ 62	Assistant Secretary
Austin Keith	05/2026 - 05/2030 (Elected)	$ 1,547	$ 159	Assistant Vice President
Everett Deao	05/2022 - 07/2025 (Resigned)	$ 442	$ 24	Former Assistant Vice President

Note: 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 developer or with any of the District's consultants.

Submission date of most recent District Registration Form: May 29, 2026

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution effective June 18, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 547
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2026

Consultants:	Date Hired	Fees for the year ended April 30, 2026	Title
Allen Boone Humphries Robinson LLP	03/19/19	$ 188,187	General Counsel
		$ 452,597	Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	07/28/22	$ 17,000	Auditor
		$ 36,250	Bond Related
Myrtle Cruz, Inc.	03/19/19	$ 16,556	Bookkeeper
		$ 10,500	Bond related
Masterson Advisors	03/19/19	$ 337,750	Financial Advisor
Quiddity Engineering, LLC	05/27/21	$ 124,425	Engineer
		$ 90,600	Bond Related
Utility Tax Service, LLC	07/22/21	$ 20,871	Tax Assessor/ Collector
		$ 1,500	Bond Related
Municipal District Services, LLC	07/22/21	$ 954,164	Operator
Mary Jarmon	05/27/21	$ -0-	Investment Officer

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

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

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

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

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