KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
(Kaufman County, Texas)

PRELIMINARY OFFICIAL STATEMENT
DATED: SEPTEMBER 16, 2026

$3,010,000
UNLIMITED TAX ROAD BONDS
SERIES 2026

BIDS TO BE SUBMITTED: 10:00 A.M., CENTRAL TIME
WEDNESDAY, OCTOBER 21, 2026

BIDS TO BE OPENED: 12:30 P.M., CENTRAL TIME
WEDNESDAY, OCTOBER 21, 2026

CEDAR CREEK
MUNICIPAL ADVISORS

Financial Advisor

This Preliminary Official Statement and the Information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 16, 2026

This Preliminary Official Statement is subject to completion and amendment, as provided in the Official Notice of Sale, and is intended for the solicitation of initial bids to purchase the Bonds. Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser (hereinafter defined).

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

The District will designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE – Book-Entry-Only **NON-RATED**

$3,010,000
KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
(A Political Subdivision of the State of Texas, located within Kaufman County)
UNLIMITED TAX ROAD BONDS, SERIES 2026

Dated Date: November 1, 2026 **Due: September 1, as shown herein**

Interest Accrues from: Date of Delivery

The $3,010,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are obligations of Kaufman County Municipal Utility District No. 9 (the "District") and are not obligations of the State of Texas; Kaufman County, Texas; the City of Crandall, Texas; or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas; Kaufman County, Texas; the City of Crandall, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

The Bonds will be initially registered and delivered only to 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 Zions Bancorporation, National Association, Houston, Texas, or any successor paying agent/registrar (the "Paying Agent/Registrar") directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

Principal of the Bonds is payable to the registered owner(s) of the Bonds (the "Registered Owner(s)") at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. Interest on the Bonds accrues from the initial date of delivery (expected to be on or about November 19, 2026) (the "Date of Delivery") and is payable on March 1, 2027, and each September 1 and March 1 thereafter to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). Unless otherwise agreed between the Paying Agent/Registrar and a Registered Owner, such interest is payable by check mailed to such persons or by other means acceptable to such person and the Paying Agent/Registrar. The Bonds are issuable in principal denominations of $5,000 or any integral multiple thereof in fully registered form only.

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

The Bonds constitute the third series of unlimited tax bonds issued by the District for the purpose of purchasing, constructing, acquiring and maintaining roads (the "Road System") to serve the District. At an election held within the District on November 8, 2005, voters of the District authorized the issuance of the following: $42,000,000 principal amount of unlimited tax bonds for Road System purposes; $78,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, sewer and drainage facilities (the "Utility System"); $63,000,000 principal amount of unlimited tax bonds for the purpose of refunding Road System bonds; and $117,000,000 principal amount of unlimited tax bonds for the purpose of refunding Utility System bonds. Following the issuance of the Bonds, $26,090,000 principal amount of unlimited tax bonds for Road System purposes, $78,000,000 principal amount of unlimited tax bonds for Utility System purposes, $63,000,000 principal amount of unlimited tax bonds for refunding Road System bonds, and $117,000,000 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will be payable from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied against all taxable property within the District.

Investment in the Bonds is subject to certain risk factors as described herein. See "RISK FACTORS" herein.

The Bonds are offered when, as and if issued by the District and accepted by the winning bidder for the Bonds (the "Initial Purchaser"), subject among other things to the approval of the initial Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Dallas, Texas, Bond Counsel. The Bonds in definitive form are expected to be available for delivery in book-entry-only form through the facilities of DTC on or about November 19, 2026. See "LEGAL MATTERS."

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

$3,010,000
UNLIMITED TAX ROAD BONDS, SERIES 2026

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)
2028	$ 65,000	___%	___%	___	2040 (c)	$ 120,000	___%	___%	
2029	70,000	___%	___%	___	2041 (c)	125,000	___%	___%	___
2030	70,000	___%	___%	___	2042 (c)	135,000	___%	___%	___
2031	75,000	___%	___%	___	2043 (c)	140,000	___%	___%	___
2032	80,000	___%	___%	___	2044 (c)	150,000	___%	___%	___
2033 (c)	85,000	___%	___%	___	2045 (c)	155,000	___%	___%	___
2034 (c)	90,000	___%	___%	___	2046 (c)	165,000	___%	___%	___
2035 (c)	90,000	___%	___%	___	2047 (c)	175,000	___%	___%	___
2036 (c)	95,000	___%	___%	___	2048 (c)	185,000	___%	___%	___
2037 (c)	100,000	___%	___%	___	2049 (c)	195,000	___%	___%	___
2038 (c)	110,000	___%	___%	___	2050 (c)	205,000	___%	___%	___
2039 (c)	115,000	___%	___%	___	2051 (c)	215,000	___%	___%	___

_____

(a) The initial reoffering yield has been provided by the Initial Purchaser (defined herein) and represents the initial offering price to the public of a substantial amount of the Bonds for each maturity. Such initial reoffering yield may subsequently be changed. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.

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

(c) The Bonds maturing on and after September 1, 2033, are subject to redemption and payment, at the option of the District, in whole or, from time to time, in part, on November 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. See "THE BONDS – Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 of the Securities Exchange Act (the "Rule"), as amended, and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than information permitted by the Rule.

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

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

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Coats Rose, P.C. ("Bond Counsel") for further information.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in the Official Statement in accordance with, and as part of, its responsibility 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.

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 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 the Official Statement until delivery of the Bonds to the Initial Purchaser, and thereafter only as specified in "OFFICIAL STATEMENT – Updating the Official Statement."

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

TABLE OF CONTENTS

	Page
USE OF INFORMATION IN OFFICIAL STATEMENT	1
SALE AND DISTRIBUTION OF THE BONDS	3
Award of the Bonds	3
Prices and Marketability	3
Securities Laws	3
MUNICIPAL BOND INSURANCE	3
RATINGS	3
OFFICIAL STATEMENT SUMMARY	4
SELECTED FINANCIAL INFORMATION	9
INTRODUCTION	10
RISK FACTORS	10
General	10
Economic Factors Affecting Taxable Values and Tax Payments	10
Vacant Developed Lots	11
Increase in Costs of Building Materials	11
Rental Homes	12
Tax Collections Limitations	12
Registered Owners' Remedies	12
Bankruptcy Limitation to Registered Owners' Rights	12
Future Debt	13

Overlapping Master District Debt and Contract Tax 13
Obligations to City of Mesquite 14
Future and Proposed Legislation 14
The 90th Texas Legislature 15
Competitive Nature of Dallas Residential Market 15
Potential Impact of Natural Disaster 15
Environmental Regulations 15
Atlas 14 17
Marketability of the Bonds 17
Continuing Compliance with Certain Covenants 17
Approval of the Bonds 18
Cybersecurity 18
Bond Insurance Risk Factors 18
THE BONDS 19
General 19
Book-Entry-Only System 19
Paying Agent/Registrar 21
Record Date 21
Registration, Transfer and Exchange 21
Mutilated, Lost, Stolen or Destroyed Bonds 22
Outstanding Bonds 22
Authority for Issuance 22
Source of Payment 22
Funds 23
Redemption Provisions 23
Annexation 23
Consolidation 23
Defeasance 23
Issuance of Additional Debt 24
Amendments to the Bond Order 25
Registered Owners' Remedies 25
Legal Investment and Eligibility to Secure Public Funds in Texas 25
Use and Distribution of Bond Proceeds 26
DISTRICT DEBT 27
Estimated Overlapping Debt Statement 28
Debt Ratios 28
Debt Service Requirements 29
TAXING PROCEDURES 30
Authority to Levy Taxes 30
Property Tax Code and County-Wide Appraisal District 30
Property Subject to Taxation by the District 30
Tax Abatement 32
Valuation of Property for Taxation 32
Reappraisal of Property after Disaster 33
Tay Payment Installments After Disaster 33
District and Taxpayer Remedies 33
Rollback of Operation and Maintenance Tax Rate 33
Levy and Collection of Taxes 34
District's Rights in the Event of Tax Delinquencies 34
TAX DATA 35
General 35
Tax Rate Limitation 35
Historical Tax Collections 35
Tax Rate Distribution 36
Analysis of Tax Base 36
Principal Taxpayers 36
Tax Rate Calculations 37
Estimated Overlapping Taxes 37
THE DISTRICT 38
General 38
Description 38
Management of the District 38
DEVELOPMENT STATUS OF THE DISTRICT 40
Homebuilder within the District 40
EASTLAND 40
DEVELOPER AND PRINCIPAL LANDOWNER 40
The Role of a Developer 40
The Developer 41
Developer Financing 41
Principal Landowner 41
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT 42
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT 43
THE SYSTEM 44
Regulation 44
Master District Contract 44
Description of the Utility System 45
Description of the Road System 46
Historical Operations of the Utility System 47
LEGAL MATTERS 48
Legal Opinions 48
Legal Review 48
No-Litigation Certificate 48
No Material Adverse Change 49
TAX MATTERS 49
Opinion 49
Federal Income Tax Accounting Treatment of Original Issue Discount 49
Collateral Federal Income Tax Consequences 50
State, Local and Foreign Taxes 51
QUALIFIED TAX-EXEMPT OBLIGATIONS 51
CONTINUING DISCLOSURE OF INFORMATION 51
Annual Reports 51
Event Notices 52
Availability of Information 52
Limitations and Amendments 52
Compliance with Prior Undertakings 53
OFFICIAL STATEMENT 53
General 53
Experts 53
Certification as to Official Statement 54
Updating the Official Statement 54
CONCLUDING STATEMENT 54

APPENDIX A ..... Financial Statements of the District

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate, which was tendered by _____ (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover page of this Official Statement, at a price of _____% of the principal amount thereof, which resulted in a net effective interest rate of _____%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

Subject to certain restrictions regarding the "hold-the-offering-price" rule as described in the Official Notice of Sale, the District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial reoffering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER–ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

MUNICIPAL BOND INSURANCE

The District has made an application for a commitment to provide municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating company, will be at the option and expense of the Initial Purchaser.

RATINGS

The District has not made an application for an underlying rating on the Bonds. It is not expected that the District would have been successful in receiving an investment grade rating on the Bonds.

OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District	Kaufman County Municipal Utility District No. 9 (the "District"), a political subdivision of the State of Texas, is located approximately 25 miles east of downtown Dallas and wholly in the extraterritorial jurisdiction of the City of Crandall, Texas, and within Kaufman County, Texas.
The Bonds	The District is issuing its $3,010,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds"). The Bonds are dated November 1, 2026, with interest accruing from the initial date of delivery (expected to be on or about November 19, 2026) (the "Date of Delivery") and mature serially on September 1 of each of the years and in the principal amounts shown on the inside cover hereof. Interest is payable on March 1, 2027, and on each September 1 and March 1 thereafter until maturity or prior redemption. See "THE BONDS."
Redemption Provisions	The Bonds maturing on and after September 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on November 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See "THE BONDS – General" and " – Redemption Provisions."
Book-Entry Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"), to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Authority for Issuance	The Bonds are issued pursuant to (i) the legislation creating the District; (ii) an order of the District's Board of Directors (the "Board") authorizing the issuance of the Bonds (the "Bond Order"); (iii) Article III, Section 52 of the Texas Constitution, and the general laws of the State of Texas, particularly including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held within the District on November 8, 2005. The Bonds constitute the third series of unlimited tax bonds issued by the District for the purpose of purchasing, constructing, acquiring and maintaining roads (the "Road System") to serve the District. At an election held within the District on November 8, 2005, voters of the District authorized the issuance of the following: $42,000,000 principal amount of unlimited tax bonds for Road System purposes; $78,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, sewer and drainage facilities (the "Utility System"); $63,000,000 principal

	amount of unlimited tax bonds for the purpose of refunding Road System bonds; and $117,000,000 principal amount of unlimited tax bonds for the purpose of refunding Utility System bonds. Following the issuance of the Bonds, $26,090,000 principal amount of unlimited tax bonds for Road System purposes, $78,000,000 principal amount of unlimited tax bonds for Utility System purposes, $63,000,000 principal amount of unlimited tax bonds for refunding Road System bonds, and $117,000,000 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance" and "– Issuance of Additional Debt."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Kaufman County, Texas, the City of Crandall, Texas, or any entity other than the District. See "THE BONDS – Source of Payment."
Use of Proceeds	A portion of the proceeds of the Bonds will be used to reimburse the Developer (hereinafter defined) for Road System improvements and related engineering costs as shown herein under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds from the Bonds will be used to pay developer interest, six (6) months of capitalized interest, and certain costs of issuance of the Bonds.
Qualified Tax-Exempt Obligations	The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS."
Outstanding Bonds	The District has previously issued the following series of unlimited tax bonds: $10,250,000 Unlimited Tax Road Bonds, Series 2024 and $2,650,000 Unlimited Tax Road Bonds, Series 2025. As of delivery of the Bonds, $12,645,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See THE BONDS – Outstanding Bonds."
Payment Record	The District has never defaulted on the debt service payments on its prior bond indebtedness.
Municipal Bond Insurance	The District has made applications for a commitment for municipal bond insurance on the Bonds. See ""MUNICIPAL BOND INSURANCE."
Ratings	The District has not made an application for a municipal bond rating on the Bonds. See "RATINGS."
Legal Opinion	Coats Rose, P.C., Dallas, Texas, Bond Counsel. See "LEGAL MATTERS."
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
Paying Agent/Registrar	Zions Bancorporation, National Association, Houston, Texas.
District Engineer	LJA Engineering, Inc., Dallas, Texas.

THE DISTRICT

Description..... The District is a political subdivision of the State of Texas and is located in the extraterritorial jurisdiction of the City of Crandall in Kaufman County, approximately 25 miles east of the City of Dallas, 8 miles east of the City of Mesquite and 2 miles north of the City of Crandall. The District is bordered by KCMUD10 (hereinafter defined) and F.M. 741 on the northwest, Evans Road on the northeast, and KCMUD12 (hereinafter defined) on the southwest. The District is located in the Crandall Independent School District. The District is comprised of approximately 291.99 acres. See "THE DISTRICT – General" and " – Description."

Authority..... The District was created by House Bill No. 3622 passed by the 78th Texas Legislature, Regular Session, 2003 and originally named Kingsborough Municipal Utility District No. 2. As of February 3, 2006, by order of the Texas Commission on Environmental Quality (the "TCEQ") the District's name was changed to Kaufman County Municipal Utility District No. 9. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. See "THE DISTRICT – General."

Master District Facilities..... The District is one of five (5) municipal utility districts collectively comprising approximately 2,149 acres herein referred to as the "Service Area." The District, Kaufman County Municipal Utility District No. 10 ("KCMUD 10"), Kaufman County Municipal Utility District No. 11 ("KCMUD 11"), Kaufman County Municipal Utility District No. 12 ("KCMUD 12") and Kaufman County Municipal Utility District No. 14 ("KCMUD 14"), collectively referred to herein as the "Participants," make up the Service Area. KCMUD 12 acts as the "Master District" and has contracted with each of the Participants to provide water supply and wastewater treatment capacity, as well as the regional water distribution trunklines, regional wastewater collection trunklines, and regional stormwater collection trunklines (collectively, the "Master District Facilities") necessary to serve the Service Area. See "THE SYSTEM – Master District Contract."

Agreements with City of Mesquite..... Water supply and wastewater treatment are provided to the Participants by the City of Mesquite. The City of Mesquite, in turn, purchases water and wastewater treatment service from the North Texas Municipal Water District ("NTMWD"), a regional provider of such services.

In April 2006, NTMWD issued bonds to construct a wastewater interceptor, within the vicinity of the Service Area, to serve the area within the Participants. The City of Mesquite and the City of Seagoville are the entities entitled to utilize capacity in the interceptor and are responsible for paying debt service on such bonds. The City of Mesquite has contracted with the Master District to obtain payment of amounts sufficient to cover the Master District's portion of the debt service. In turn, the Master District collects payment from each Participant for its portion of the debt service. Currently, the Participants are obligated through the Master District's contract with the City of Mesquite to pay 78.21% of the annual debt service. For the fiscal year ended September 30, 2025, the payments allocable to the Participants were approximately

$730,441, and the projected payments allocable to the Participants for the fiscal year ending September 30, 2026 are approximately $712,008. Such payments are secured by the unlimited taxing authority of the Participants. However, such payments currently are being made from net revenues of each of the Participants. See "THE SYSTEM" and "RISK FACTORS."

Status of Development Within the District — Of the approximately 291.99 acres of land located within the District, approximately 276.16 acres within the District have been developed with water distribution, sanitary sewer and storm drainage and road facilities to serve the single-family residential subdivisions of Eastland, Phases 1A, B, 1C, 2A, 2B, 2C, 3A and 3B (1,065 lots). As of August 15, 2026, the District was comprised of 836 completed homes (approximately 808 occupied homes, 28 unoccupied homes and 1 model home); 51 homes under construction; and 178210 vacant developed lots. The remaining acreage within the District is comprised of approximately 15.83 undevelopable acres of permanent floodplain not included in platted phases. See "DEVELOPMENT STATUS OF THE DISTRICT."

Eastland — The District is part of the approximately 609.83-acre master-planned community of "Eastland." Eastland is comprised of the District and KCMUD 12. Lennar Homes of Texas Land and Construction LTD., a Texas Limited partnership (defined hereinafter), purchased such acres from UST-Heartland, L.P., a Texas limited partnership ("UST").

To date, approximately 360.88 acres (2,163 lots) have been developed with water distribution, sanitary sewer and storm drainage and road facilities to serve Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A, 3B, 4, 5 and 6. As of August 15, 2026, there were 863 completed homes, 75 homes under construction, and 1,225 vacant developed lots. Additionally, approximately 188.62 acres (710 lots) are currently under development within Eastland. The remaining land within Eastland is comprised of approximately 27.74 undevelopable acres and 32.59 undeveloped but developable acres. See "EASTLAND."

Developer and Principal Landowner — Lennar Homes of Texas Land and Construction LTD., a Texas limited partnership ("Lennar" or the "Developer"), purchased all of the acreage within the District from UST-Heartland, L.P., a Texas limited partnership ("UST"). See "DEVELOPER."

KL LBH DSD AIV LLC ("KL"), a Delaware limited liability company, purchased approximately 276.17 acres within the District from Lennar for the purpose of owning and holding single-family lots and the remaining developable land on such acreage. Lennar manages the development of the lots within the District for KL and Lennar has retained the right to reimbursement of the public infrastructure constructed on such acreage. To date, Lennar has acquired 673 developed single-family lots within Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A and 3B from KL, and Lennar is currently constructing homes thereon.

Millrose Properties LLC ("Millrose"), a Delaware limited liability company, currently owns approximately 187 single-family lots within the District. To date, Lennar has acquired approximately 205 developed single-family lots within the District from Millrose.

As of August 15, 2026, the Developer has developed Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A and 3B on approximately 276.16 acres as 1,065 single-family lots.

The General Partner of Lennar is U.S. Home LLC, a Delaware limited liability company that is wholly-owned by Lennar Corporation. Lennar Corporation is a publicly traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for Lennar Corporation can be found online at http://phx.corporate-ir.net/phoenix.zhtml?c=65842&p=irol-irhome. Lennar Corporation is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by Lennar Corporation can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

Invitation Homes 7 Texas LP ("Invitation Homes"), the largest taxpayer within the District as of January 1, 2026, is a subsidiary of Invitation Homes Inc. Invitation Homes Inc. is a publicly traded real estate investment trust headquartered in Dallas, Texas, and its common stock is listed on the New York Stock Exchange under the symbol "INVH." Invitation Homes Inc. owns, leases, and manages single-family rental homes across the United States. Within the District, Invitation Homes operates a build-to-rent community. It purchases developed lots from Lennar, builds single-family homes on those lots, and leases the homes to residents. As of October 1, 2026, Invitation Homes had acquired 61 lots within the District in Eastland Phase 3B and has completed approximately 61 homes on such lots.

Homebuilder Within the District..... Lennar is the sole homebuilder within the District. Home prices in the District range from approximately $197,999 to $324,999 and home sizes range from approximately 1,266 to 2,448 square feet. See "DEVELOPER" and "DEVELOPMENT STATUS OF THE DISTRICT."

RISK FACTORS

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

[Remainder of Page Intentionally Left Blank]

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2026 Taxable Assessed Valuation	$ 178,899,160	(a)
Estimated Taxable Valuation as of August 15, 2026	$ 189,946,384	(b)
Direct Debt:		
The Outstanding Bonds	$ 12,645,000	
The Bonds	$ 3,010,000	
Total	$ 15,655,000	
Estimated Overlapping Debt	$ 20,946,058	(c)
Total Direct and Estimated Overlapping Debt	$ 36,601,058	
Ratios of Direct Debt to:		
2026 Taxable Assessed Valuation	8.75%	
Estimated Taxable Valuation as of August 15, 2026	8.24%	
Ratios of Direct and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	20.46%	
Estimated Taxable Valuation as of August 15, 2026	19.27%	
Road System Debt Service Fund Balance (as of September 16, 2026)	$ 349,747	(d)
General Fund Balance (as of September 16, 2026)	$ 936,356	(e)
2026 Tax Rate:		
Road System Debt Service	$ 0.5825	
Maintenance & Operations	0.3725	
Contract Tax	0.0450	
Total	$1.0000	
Average Annual Debt Service Requirement (2027–2051)	$ 1,023,377	(f)
Maximum Annual Debt Service Requirement (2049)	$ 1,106,106	(f)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027–2051) at 95% Tax Collections		
Based Upon 2026 Taxable Assessed Valuation	$ 0.61	
Based Upon Estimated Taxable Valuation as of August 15, 2026	$ 0.57	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2049) at 95% Tax Collections		
Based Upon 2026 Taxable Assessed Valuation	$ 0.66	
Based Upon Estimated Taxable Valuation as of August 15, 2026	$ 0.62	

(a) Represents the taxable assessed valuation as of January 1, 2026, of all taxable property in the District, as provided by the Appraisal District (hereinafter defined). See "TAXING PROCEDURES" and "TAX DATA."
(b) Provided by the Appraisal District for informational purposes only. Reflects the addition of value of new construction within the District from January 1, 2026 to August 15, 2026. This estimate is based upon the same unit value used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES" and "TAX DATA."
(c) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."
(d) Six (6) months of capitalized interest will be deposited into the Road System Debt Service Fund (hereinafter defined) upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System.
(e) See "RISK FACTORS – Operating Funds."
(f) Debt service on the Bonds is estimated at an average annual interest rate of 5.375%. See "DISTRICT DEBT – Debt Service Requirements."

OFFICIAL STATEMENT
relating to
KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
(A Political Subdivision of the State of Texas, located within Kaufman County)

$3,010,000
UNLIMITED TAX ROAD BONDS
SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Kaufman County Municipal Utility District No. 9 (the "District"), of its $3,010,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) the legislation creating the District; (ii) an order authorizing the issuance of the Bonds ("Bond Order") adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds; (iii) Article III, Section 52 of the Texas Constitution, and the general laws of the State of Texas, particularly including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held by the District on November 8, 2005.

Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

This Official Statement also includes information about the District, the Developer (defined herein), and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas, Kaufman County, Texas, the City of Crandall, Texas, or any political subdivision other than the District. The Bonds are secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below.

Economic Factors Affecting Taxable Values and Tax Payments

The rate of development within the District is directly related to the vitality of the single-family housing market in the Dallas and Mesquite metropolitan areas. New single-family residential construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of single-family residential construction would restrict the growth of property values in the District. Although in excess of 855 single-family homes are either completed or under construction within the District, the District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT STATUS OF THE DISTRICT."

Developers' Obligations to the District: There is no commitment by or legal requirement 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 in the District, or of any home builder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the profitability of future development, if any, or the

rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT STATUS OF THE DISTRICT" and "DEVELOPER."

Dependence on Major Taxpayers and the Developer: The top ten principal taxpayers in the District represent $24,946,886 or approximately 13.94% of the District's 2026 Taxable Assessed Valuation ($178,899,160), which represents ownership as of January 1, 2026. The Developer and its land banking entities represent $10,239,380 or 5.72% of such value. If these or other principal taxpayers were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service fund. See " – Tax Collections Limitations" in this section, "TAXING PROCEDURES – Levy and Collection of Taxes" and "TAX DATA – Principal Taxpayers."

Maximum Impact on District Tax Rate: 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 property owners to pay their taxes. The 2026 Taxable Assessed Valuation of property within the District is $178,899,160, and the Estimated Taxable Valuation as of August 15, 2026 is $189,946,384. After issuance of the Bonds, the estimated maximum annual debt service requirement on the Bonds and the Outstanding Bonds will be $1,106,106 (2049) and the estimated average annual debt service requirement on the Bonds and the Outstanding Bonds will be $1,023,377 (2027–2051). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, tax rates of $0.66 and $0.61 per $100 assessed valuation at a 95% collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimated Taxable Valuation as of August 15, 2026, tax rates of $0.62 and $0.57 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively. See "DISTRICT DEBT – Debt Service Requirements."

For the 2026 tax year, the District levied a total tax rate of $1.00 per $100 of assessed valuation composed of the following: $0.3725 per $100 of assessed valuation for maintenance and operations, $0.5825 for road system debt service and $0.0450 per $100 of assessed valuation for its Contract Tax (hereinafter defined).

Vacant Developed Lots

As of August 15, 2026, approximately 210 developed lots within the District remained available for construction. Failure of the Developer and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Increase in Costs of Building Materials

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

Rental Homes

Invitation Homes (hereinafter defined) purchased 61 lots within the District from Lennar (hereinafter defined) within Eastland Phase 3B for the purpose of constructing single-family homes for rent. Such homes are owned by Invitation Homes, the top taxpayer in the District. Failure by Invitation Homes to pay ad valorem taxes on such property could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. It is anticipated that Invitation Homes will continue to be a principal taxpayer in the District. As the owner of the homes in Eastland Phase 3B, Invitation Homes is responsible for payment of property taxes, maintenance of the homes and the landscape maintenance

Tax Collections Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other 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 (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within two years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies

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

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

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (1) is authorized to file for federal bankruptcy

protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desired to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must also obtain the approval of the Texas Commission on Environmental Quality (the "TCEQ") prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial conditions of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

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

The District may not be placed into bankruptcy involuntarily.

Future Debt

Following the issuance of the Bonds, $26,090,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"); $78,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities to serve the District (the "Utility System"); $63,000,000 principal amount of unlimited tax bonds for refunding Road System bonds; and $117,000,000 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance." The District reserves in the Bond Order the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. In addition, the District has the right to issue obligations, other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose. 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 "DEVELOPMENT STATUS OF THE DISTRICT."

Following reimbursement to the Developer with the proceeds of the Bonds, the District will owe the Developer approximately $1,750,000 for expenditures advanced to construct the Road System to serve the developed land within the District. The District will owe the Developer approximately $15,250,000 for the expenditures to construct the Utility System to serve the developed land within the District.

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

Overlapping Master District Debt and Contract Tax

The Master District (hereinafter defined) is responsible for constructing or otherwise obtaining the Master District Facilities (hereinafter defined) for the Service Area (hereinafter defined). Pursuant to the Master District Contract (hereinafter defined), the Master District is authorized to issue Unlimited Contract Tax Revenue Bonds sufficient to complete the acquisition and construction of the Master District Facilities to serve the Service Area. By execution of the Master District Contract, the District and each of the Participants (hereinafter defined) are obligated to pay a pro rata share, based on the certified assessed valuation of property within the boundaries of each Participant, of debt service on the Unlimited Contract Tax Revenue Bonds issued

by the Master District to finance the Master District Facilities. Each Participant is obligated to make such payments from the proceeds of an annual ad valorem Contract Tax (hereinafter defined), without legal limit as to rate or amount, levied by such Participant for such purpose on all taxable property within its boundaries, from revenues derived from the operations of such Participant's water distribution system and wastewater collection system, or from any other lawful source of such Participant's income.

The Master District has issued two series of Unlimited Contract Tax Revenue Bonds, of which $10,475,000 principal amount of such bonds remains outstanding as of August 1, 2025. The Master District is authorized, without additional voter approval, to issue Unlimited Contract Tax Revenue Bonds in an amount necessary to finance the Master District Facilities to serve the Service Area. The District cannot represent whether any of the development planned or occurring within the Service Area served by the Master District Facilities will be successful. The levy of a Contract Tax to substantially higher levels could have an adverse impact upon future development and upon development and home sales within the Service Area, including the District, and the ability of each Participant to collect, and the willingness of owners of property located within the Service Area to pay ad valorem taxes (including the Contract Tax). See "THE SYSTEM – Master District Contract." For the 2026 tax year, the District levied a Contract Tax of $0.0450 per $100 of assessed valuation.

As of August 15, 2026, the Master District owed the developers of the Master District Facilities approximately $3,400,000 for the construction of the Master District Facilities.

Bonds issued by the District and the Master District for water, sewer and drainage facilities are subject to prior approval by the TCEQ. Such agency has in place certain "economic feasibility rules" which for districts located in Kaufman County limit the amount of bonds which can be issued to an amount that can be amortized with a tax rate not exceeding $1.00 per $100 valuation, including all other obligations of the issuer secured by ad valorem taxes. Bonds to be issued by the District for roads currently are not subject to such "economic feasibility rules" but are subject to a "no growth tax rate limitation" of $2.50 per $100 valuation imposed by the Office of the Attorney General of Texas. See "SELECTED FINANCIAL INFORMATION."

Obligations to City of Mesquite

The Master District has entered into the Wholesale Water Agreement (hereinafter defined) and the Wholesale Wastewater Agreement (hereinafter defined) with the City of Mesquite. Pursuant to such agreements, the City of Mesquite currently provides wholesale water supply and wastewater treatment services to the Master District. See "THE SYSTEM – Master District Contract." In turn, the City of Mesquite has entered into a contract with NTMWD (hereinafter defined), a regional provider of wholesale water and wastewater services for areas located southeast, east and northeast of the City of Dallas, pursuant to which NTMWD provides wholesale water and wastewater service to the City of Mesquite and its retail and wholesale customers.

In April 2006, NTMWD issued bonds to construct a wastewater interceptor, within the vicinity of the Service Area, to serve the area within the Participants. The City of Mesquite and the City of Seagoville are the entities entitled to utilize capacity in the interceptor and are responsible for paying debt service on such bonds. The City of Mesquite has contracted with the Master District to obtain payment of amounts sufficient to cover the Master District's portion of the debt service and operating costs of the interceptor. In turn, the Master District collects payment from each Participant for their portion of the debt service. Currently, the Participants are obligated through the Master District's contract with the City of Mesquite to pay 78.21% of the annual debt service. The City of Seagoville is paying the remaining annual debt service payments. To the extent that the City of Mesquite serves other wholesale customers in the future, such customers will pay a portion of the debt service currently being paid by the Participants. For the fiscal year ended September 30, 2025, the payments allocable to the Participants were approximately $730,441, and the projected payments allocable to the Participants for the fiscal year ending September 30, 2026 are approximately $712,008. Such payments are secured by the unlimited taxing authority of the Participants. However, such payments currently are being made from net revenues of the Participants.

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed.

It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The 90th Texas Legislature

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

Competitive Nature of Dallas Residential Market

The housing industry in the Dallas area is very competitive, and the District can give no assurance that the building programs which are planned by the Developers will be continued or completed. The respective competitive positions of the Developers and any of the homebuilders are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Potential Impact of Natural Disaster

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

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

Environmental Regulations

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

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

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can

increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

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

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

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

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

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) ("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 January 24, 2019. 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.

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 on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area. The application of 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.

Marketability of the Bonds

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

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement. TCEQ approval of the Bonds is not required and, therefore, no engineering report or bond application has been submitted to the TCEQ and neither the Bonds, the project, nor the feasibility of the District will be reviewed, considered or approved by the TCEQ.

Cybersecurity

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

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest for the Bonds. The District has yet to determine whether an insurance policy will be purchased with the Bonds, which would be at the discretion and expense of the Initial Purchaser. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable bond insurance policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the provider of the Policy (the "Bond Insurer") at such time and in such amounts as would have been due absent such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

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

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

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

THE BONDS

General

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

The Bonds are dated November 1, 2026 and will mature on September 1 in each of the years and in principal amounts, and will bear interest from the initial date of delivery (expected to be on or about November 19, 2026) (the "Date of Delivery") at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable March 1, 2027, and semiannually thereafter on each September 1 and March 1 until maturity or redemption.

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

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

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

Book-Entry-Only System

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

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond 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 SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Paying Agent/Registrar

The Board has selected Zions Bancorporation, National Association, Houston, Texas, as the initial Paying Agent/Registrar for the Bonds. Provision is made in the Bond Order for removal of the Paying Agent/Registrar, provided that no such removal shall be effective until a successor paying agent/registrar shall have accepted the duties of the Paying Agent/Registrar under the provisions of the Bond Order. Any successor paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or of any state authorized under such laws to exercise trust powers, shall have a combined capital and surplus of at least $50,000,000, shall be subject to supervision or examination by federal or state authority, shall be registered as a transfer agent with the SEC and shall have a corporate trust office in the State of Texas.

Record Date

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

Registration, Transfer and Exchange

In the event the Book-Entry-Only System is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same series and maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity

and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Mutilated, Lost, Stolen or Destroyed Bonds

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

Outstanding Bonds

The District has previously issued the following series of unlimited tax bonds: $10,250,000 Unlimited Tax Road Bonds, Series 2024 and $2,650,000 Unlimited Tax Road Bonds, Series 2025. As of delivery of the Bonds, $12,645,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

Authority for Issuance

The bonds authorized by the resident electors of the District, the amount of bonds issued and the remaining authorized but unissued bonds are as follows:

Election Date	Purpose	Amount Authorized	Amount Issued	Remaining Authorized But Unissued
11/08/2005	Road System	$ 42,000,000	$ 15,910,000 (a)	$ 26,090,000
11/08/2005	Utility System	$ 78,000,000	–	$ 78,000,000
11/08/2005	Road System Refunding	$ 63,000,000	–	$ 63,000,000
11/08/2005	Utility System Refunding	$ 117,000,000	–	$ 117,000,000

(a) Includes the Bonds.

The Bonds are issued pursuant to (i) the legislation creating the District; (ii) the Bond Order adopted by the Board on the date of the sale of the Bonds; (iii) Article III, Section 52 of the Texas Constitution, and the general laws of the State of Texas, particularly including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held by the District on November 8, 2005.

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 Payment

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied without legal limitation as to rate or amount against all taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection. Collected taxes will be placed in the District's Road System Debt Service Fund (defined herein) and used to pay principal of and interest on the Bonds, the Outstanding Bonds, and on any additional bonds payable from taxes which may hereafter be issued by the District for the Road System.

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Kaufman County, the City of Crandall, Texas (the "City") or any entity other than the District.

Funds

The Bond Order confirms the District's fund for debt service on bonds issued for the Road System (such as the Bonds and the Outstanding Bonds) and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). At closing, six (6) months of capitalized interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into the Road System Debt Service Fund. The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, the Outstanding Bonds, and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds, the Outstanding Bonds, and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System.

Redemption Provisions

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

Annexation

The District lies entirely within the extraterritorial jurisdiction of the City. The City operates as a Type A municipality. The District may be annexed and dissolved by the City only if (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the land owners, consenting to annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council, and therefore, the District can make 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 the annexation occur. The Bond Order provides for the termination of the pledge of taxes to the Bonds upon annexation and dissolution by the City.

Consolidation

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

Defeasance

The Bond Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under

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

Upon such deposit as described above, such Bonds shall no longer be regarded to be 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. In the Bond Order, the District has specifically reserved the right to call the Bonds for redemption after the defeasance thereof.

Issuance of Additional Debt

The District intends to issue additional bonds from its voted authorization. At an election held within the District on November 8, 2005, voters of the District authorized the issuance of the following: $42,000,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, acquiring, and maintaining the Road System within the District; $78,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring the Utility System within the District; $63,000,000 principal amount of unlimited tax bonds for the purpose of refunding Road System bonds; and $117,000,000 principal amount of unlimited tax bonds for the purpose of refunding Utility System bonds. Following the issuance of the Bonds, $26,090,000 principal amount of unlimited tax bonds for Road System purposes; $78,000,000 principal amount of unlimited tax bonds for Utility System purposes; $63,000,000 principal amount of unlimited tax bonds for refunding Road System bonds; and $117,000,000 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. See "THE BONDS – Authority for Issuance." Any bonds issued by the District, however, must be approved by the Attorney General of Texas. Currently, approval of the TCEQ is not necessary for the issuance of bonds issued to finance the acquisition or construction of roads and roadway improvements (such as the Bonds). However, if the issuance of debt is for the purpose of financing water, sewer or drainage facilities, approval of the TCEQ is required. See "THE DISTRICT – General."

Following reimbursement to the Developer with the proceeds of the Bonds, the District will owe the Developer approximately $1,750,000 for expenditures advanced to construct the Road System to serve the developed land within the District. The District will owe the Developer approximately $15,250,000 for the expenditures to construct the Utility System to serve the developed land within the District.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Except with respect to the issuance of bonds for road purposes, the District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. The total amount

of bonds and other obligations of the District issued for road purposes may not exceed one-fourth of the assessed valuation of the real property in the District.

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owners, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Registered Owners' Remedies

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Use and Distribution of Bond Proceeds

A portion of the proceeds of the Bonds will be used to reimburse the Developer for Road System improvements and related engineering costs as shown below. Additionally, proceeds from the Bonds will be used to pay developer interest, six (6) months of capitalized interest, and certain costs of issuance of the Bonds.

The construction costs described below were compiled LJA Engineering, Inc., the District's engineer (the "Engineer"), based, in some cases, on the estimated costs of facilities. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the District's financial advisor, Cedar Creek Municipal Advisors, LLC, (the "Financial Advisor").

Construction Costs	District's Share
1. Eastland, Phase 3A & 3B - Engineering	$ 277,656
2. Eastland, Phase 3A & 3B – SWPP	609,177
3. ROW Land Cost	1,615,602
TOTAL CONSTRUCTION COSTS	**$2,502,435**
Non-Construction Costs	
A. Legal Fees	$ 85,200
B. Financial Advisor Fees	60,175
C. Interest	
1. Capitalized Interest (6 months)	80,894
2. Developer Interest	126,839
D. Underwriter's Discount (3.00%)	90,300
E. Bond Issuance Expenses	46,097
F. Bond Engineering Fee	15,050
G. Attorney General Fee (0.10%)	3,010
TOTAL NON-CONSTRUCTION COSTS	**$ 507,565**
TOTAL BOND ISSUE REQUIREMENT	**$3,010,000**

[Remainder of Page Intentionally Left Blank]

DISTRICT DEBT

2026 Taxable Assessed Valuation	$ 178,899,160	(a)
Estimated Taxable Valuation as of August 15, 2026	$ 189,946,384	(b)
Direct Debt:		
The Outstanding Bonds	$ 12,645,000	
The Bonds	$ 3,010,000	
Total	$ 15,655,000	
Estimated Overlapping Debt	$ 20,946,058	(c)
Total Direct and Estimated Overlapping Debt	$ 36,601,058	
Ratios of Direct Debt to:		
2026 Taxable Assessed Valuation	8.75%	
Estimated Taxable Valuation as of August 15, 2026	8.24%	
Ratios of Direct and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	20.46%	
Estimated Taxable Valuation as of August 15, 2026	19.27%	
Road System Debt Service Fund Balance (as of September 16, 2026)	$ 349,747	(d)
General Fund Balance (as of September 16, 2026)	$ 936,356	
2026 Tax Rate:		
Road System Debt Service	$ 0.5825	
Maintenance & Operations	0.3725	
Contract Tax	0.0450	
Total	$1.0000	
Average Annual Debt Service Requirement (2027–2051)	$ 1,023,377	(e)
Maximum Annual Debt Service Requirement (2049)	$ 1,106,106	(e)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027–2051) at 95% Tax Collections		
Based Upon 2026 Taxable Assessed Valuation	$ 0.61	
Based Upon Estimated Taxable Valuation as of August 15, 2026	$ 0.57	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2049) at 95% Tax Collections		
Based Upon 2026 Taxable Assessed Valuation	$ 0.66	
Based Upon Estimated Taxable Valuation as of August 15, 2026	$ 0.62	

(a) Represents the taxable assessed valuation as of January 1, 2026, of all taxable property in the District, as provided by the Appraisal District. See "TAXING PROCEDURES" and "TAX DATA."
(b) Provided by the Appraisal District for informational purposes only. Reflects the addition of value of new construction within the District from January 1, 2026 to August 15, 2026. This estimate is based upon the same unit value used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES" and "TAX DATA."
(c) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."
(d) Six (6) months of capitalized interest will be deposited into the Road System Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Utility System.
(e) See "RISK FACTORS – Operating Funds."
(f) Debt service on the Bonds is estimated at an average annual interest rate of 5.375%. See "DISTRICT DEBT – Debt Service Requirements."

Estimated Overlapping Debt Statement

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

	Outstanding Debt	Overlapping	
Taxing Jurisdiction	**August 31, 2026**	**Percent**	**Amount**
Kaufman County	$ 200,305,000	0.68%	$ 1,360,191
Crandall Independent School District	290,675,000	6.32%	18,368,590
The Master District (a)	10,475,000	11.62%	1,217,276
Total Estimated Overlapping Debt			$20,946,058
The District Debt (b)			$15,655,000
Total Direct & Estimated Overlapping Debt (c)(d)			$36,601,058

(a) Represents the District's pro rata share of outstanding Unlimited Contract Tax Revenue Bonds issued by the Master District. See "THE SYSTEM – Master District Contract" and "RISK FACTORS – Overlapping Master District Debt and Contract Tax."
(b) The Bonds and the Outstanding Bonds.
(c) Includes the Bonds and the Outstanding Bonds.
(d) In addition to the Estimated Overlapping Debt, the Participants are liable to the City of Mesquite for water and wastewater capacity. See "RISK FACTORS – Obligations to City of Mesquite."

Debt Ratios

	2026 Taxable Assessed Valuation	Estimated Taxable Valuation as of August 15, 2026
Direct Debt (a)	8.75%	8.24%
Total Direct & Estimated Overlapping Debt (b)	20.46%	19.27%

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

[Remainder of Page Intentionally Left Blank]

Debt Service Requirements

The following schedule sets forth the principal and interest requirements on the Outstanding Bonds and the principal and estimated interest requirements for the Bonds, assuming an estimated interest rate of 5.375% per annum.

		The Bonds			
Calendar Year	Outstanding Debt Service	Principal	Interest	Debt Service	Total Debt Service
2027	$ 874,744	$ –	$ 134,823	$ 134,823	$ 1,009,567
2028	868,619	65,000	161,788	226,788	1,095,406
2029	862,894	70,000	158,294	228,294	1,091,188
2030	856,269	70,000	154,531	224,531	1,080,800
2031	843,719	75,000	150,769	225,769	1,069,488
2032	846,769	80,000	146,738	226,738	1,073,506
2033	848,988	85,000	142,438	227,438	1,076,425
2034	852,188	90,000	137,869	227,869	1,080,056
2035	854,588	90,000	133,031	223,031	1,077,619
2036	851,188	95,000	128,194	223,194	1,074,381
2037	852,188	100,000	123,088	223,088	1,075,275
2038	857,269	110,000	117,713	227,713	1,084,981
2039	856,219	115,000	111,800	226,800	1,083,019
2040	859,225	120,000	105,619	225,619	1,084,844
2041	866,075	125,000	99,169	224,169	1,090,244
2042	866,675	135,000	92,450	227,450	1,094,125
2043	866,250	140,000	85,194	225,194	1,091,444
2044	864,800	150,000	77,669	227,669	1,092,469
2045	872,325	155,000	69,606	224,606	1,096,931
2046	873,219	165,000	61,275	226,275	1,099,494
2047	877,881	175,000	52,406	227,406	1,105,288
2048	876,081	185,000	43,000	228,000	1,104,081
2049	878,050	195,000	33,056	228,056	1,106,106
2050	193,556	205,000	22,575	227,575	421,131
2051	-	215,000	11,556	226,556	226,556
Total	$ 16,268,525	$ 3,010,000	$ 2,554,648	$ 5,564,648	$ 25,584,423

Average Annual Debt Service Requirement (2027–2051) ..... $ 1,023,377
Maximum Annual Debt Service Requirement (2049) ..... $ 1,106,106

[Remainder of Page Intentionally Left Blank]

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

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

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property

is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of one hundred percent (100%) is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization at no cost to the veteran. This exemption applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. The surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by July 15. The District has not adopted a general homestead exemption.

Freeport Goods Exemption and "Goods-in-Transit": 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 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

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

Valuation of Property for Taxation

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

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

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

Reappraisal of Property after Disaster

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.

Tay Payment Installments After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, 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.

District and Taxpayer Remedies

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

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 Districts." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Districts: Special Taxing Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold a rollback 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 District is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold a rollback 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 District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Developing Districts.

Developing Districts: Districts that do not meet the classification of a Special Taxing District or a Developed District are 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 a rollback 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 District, Developed District or Developing District will be made on an annual basis. The Board determined the District was a "Developing District" for the 2026 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new rollback election calculation.

Levy and Collection of Taxes

The District has elected to transfer the responsibility for the levy and collection of District taxes to Kaufman County, pursuant to a Kaufman County Assessments and Collections Contract dated March 15, 2023. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. 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 of 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.

District's Rights in the Event of Tax Delinquencies

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

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

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, not to exceed $1.00 per $100 of assessed valuation, for maintenance and operation purposes. For the 2026 tax year, the District levied a total tax rate of $1.00 per $100 of assessed valuation composed of the following: $0.3725 per $100 of assessed valuation for maintenance and operations, $0.5825 for road system debt service and $0.0450 per $100 of assessed valuation for Contract Tax.

Tax Rate Limitation

Utility System Debt Service:	Unlimited (no legal limit as to rate or amount).
Road System Debt Service:	Unlimited (no legal limit as to rate or amount).
Contract Tax:	Unlimited (no legal limit as to rate or amount).
Contract Tax Supporting Agreements with Mesquite (a):	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.00 per $100 Assessed Valuation.

(a) See "RISK FACTORS – Overlapping Master District Debt and Contract Tax."

Historical Tax Collections

The following table illustrates the collection history of the District for the 2022 – 2025 tax years:

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year (b)	Current Year Ended 9/30	Collections 8/31/2026
2022 (c)	$ 25,491,498	$1.0000	254,915	98.94%	2023	100.00%
2023	22,369,189	1.0000	223,692	99.68%	2024	100.00%
2024	97,001,450	1.0000	970,015	99.71%	2025	100.00%
2025	148,671,345	1.0000	1,486,713	99.30%	2026	99.30%

(a) Total tax rate per $100 of assessed valuation for each respective tax year. See "Tax Rate Distribution."
(b) Represents collections from October 1 of each respective tax year.
(c) Initial year of tax levy.

Tax Rate Distribution

	2026	2025	2024 (a)	2023	2022
Utility System Debt Service	$ –	$ –	$ –	$ –	$ –
Road System Debt Service	0.5825	0.4500	–	–	–
Maintenance & Operations	0.3725	0.5000	0.9675	0.9550	0.9750
Contract Tax	0.0450	0.0500	0.0325	0.0450	0.0250
	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the tax years 2022–2026 by type of property:

Property Type	2026 Assessed Valuation	2025 Assessed Valuation	2024 Assessed Valuation	2023 Assessed Valuation	2022 Assessed Valuation
Land	$ 55,374,390	$ 65,938,989	$ 68,524,137	$ 22,602,318	$ 25,491,498
Improvements	126,192,230	83,901,822	28,633,320	–	–
Personal	60,546	34,000	–	–	–
Exemption	(2,728,006)	(1,203,466)	(156,007)	(233,129)	–
Total	$ 178,899,160	$ 148,671,345	$ 97,001,450	$ 22,369,189	$ 25,491,498

Principal Taxpayers

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

Taxpayer	Type of Property	2026 Taxable Assessed Value	% of Assessed Value
Invitation Homes 7 Texas LP (a)	Land & Improvements	$ 10,957,048	6.12%
KL LHB DSD AIV LLC (b)	Land & Improvements	5,397,879	3.02%
Lennar Homes of Texas Land and Construction LTD (b)	Land & Improvements	3,031,301	1.69%
Millrose Properties Texas LLC (b)	Land & Improvements	1,810,200	1.01%
SFR Fund VI Borrower LLC	Land & Improvements	1,021,129	0.57%
Tricon SFR 2024 3 Borrower LLC	Land & Improvements	866,513	0.48%
Choctaw American Insurance Inc.	Land & Improvements	503,352	0.28%
Homeowner	Land & Improvements	495,262	0.28%
Tricon SFR 2024 4 Borrower LLC	Land & Improvements	446,796	0.25%
Bajaj LLC Seroes 2025A PS	Land & Improvements	417,406	0.23%
Total		$ 24,946,886	13.94%

(a) See "DEVELOPER AND PRINCIPAL LANDOWNER" and "RISK FACTORS – Economic Factors Affecting Taxable Values and Tax Payments."

[Remainder of Page Intentionally Left Blank]

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District occurs beyond the 2026 Taxable Assessed Valuation ($178,899,160) or the Estimated Taxable Valuation as of August 15, 2026 ($189,946,384). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement (2027–2051)	$ 1,023,377
Debt Service Tax of $0.61 on the 2026 Taxable Assessed Valuation produces	$ 1,036,721
Debt Service Tax of $0.57 on the Estimated Taxable Valuation as of August 15, 2026 produces	$ 1,028,560
Maximum Annual Debt Service Requirement (2049)	$ 1,106,106
Debt Service Tax of $0.66 on the 2026 Taxable Assessed Valuation produces	$ 1,121,698
Debt Service Tax of $0.62 on the Estimated Taxable Valuation as of August 15, 2026 produces	$ 1,118,784

Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2026 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2026 Tax Rate
The District	$ 1.000000
Kaufman County	0.334854
Crandall ISD	1.169200
Kaufman County Road & Bridge	0.080259
Kaufman Couty ESD No. 7	0.088886
Trinity Valley Community College District	0.113660
Total Tax Rate	$ 2.786859

[Remainder of Page Intentionally Left Blank]

THE DISTRICT

General

The District is a limited-purpose political subdivision of the State of Texas operating as a municipal utility district pursuant to Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution. The District was created by House Bill No. 3622 passed by the 78th Texas Legislature, Regular Session, 2003 and originally named Kingsborough Municipal Utility District No. 2. As of February 3, 2006, by order of the TCEQ, the District's name was changed to Kaufman County Municipal Utility District No. 9. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. In addition, the District is authorized to purchase, construct, operate and maintain roads. The District is also authorized to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; the control and diversion of storm water. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ.

Description

The District is a political subdivision of the State of Texas and is located in the extraterritorial jurisdiction of the City of Crandall in Kaufman County, approximately 15 miles east of the City of Dallas, 8 miles east of the City of Mesquite and 2 miles north of the City of Crandall. The District is bordered by KCMUD10 (hereinafter defined) and F.M. 741 on the northwest, Evans Road on the northeast, and KCMUD12 (hereinafter defined) on the southwest. The District is located in the Crandall Independent School District. The District is comprised of approximately 291.99 acres and is located wholly within the approximately 609.83-acre master-planned community known as "Eastland."

Management of the District

The District is governed by a board of five directors which has control over and management supervision of all affairs of the District. Directors are elected in even-numbered years for four-year staggered terms. The present members and officers of the Board are listed below:

Name	Position	Term Expires May
John Hughes	President	2028
William Miranda	Vice President	2030
David Snow	Secretary	2030
Hailey Webber	Assistant Secretary	2028
Randi Rivera	Assistant Secretary	2028

The District has contracted with following companies and individuals for professional services and to operate its utilities:

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

Bookkeeper: The District contracts with L&S District Services, LLC, for bookkeeping services.

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

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. A copy of the District's audit prepared by McCall Gibson Swedlund Barfoot Ellis PLLC for the fiscal year ended September 30, 2025, is included as "APPENDIX A" to this Official Statement.

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

Bond Counsel: The District has engaged Coats Rose, P.C., Dallas, Texas, 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. Coats Rose, P.C. also acts as general counsel for the District.

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

Financial Advisor: The District has engaged the firm of Cedar Creek Municipal Advisors, LLC, as financial advisor to the District. Payment to the Financial Advisor by the District is contingent upon the issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

[Remainder of Page Intentionally Left Blank]

DEVELOPMENT STATUS OF THE DISTRICT

Of the approximately 291.99 acres of land located within the District, approximately 276.16 acres within the District have been developed with water distribution, sanitary sewer and storm drainage and road facilities to serve the single-family residential subdivisions of Eastland, Phases 1A, B, 1C, 2A, 2B, 2C, 3A and 3B (1,065 lots). As of August 15, 2026, the District was comprised of 836 completed homes (approximately 808 occupied homes, 28 unoccupied homes and 1 model home); 51 homes under construction; and 178210 vacant developed lots. The remaining acreage within the District is comprised of approximately 15.83 undevelopable acres of permanent floodplain not included in platted phases.

The table below summarizes the development within the District as of August 15, 2026 by section:

	Section Acres	Section Lots	Homes Complete	Homes Under Construction	Vacant Lots
Eastland, Phase 1A (a)	49.03	172	159	-	13
Eastland, Phase 1B (a)	42.49	166	164	-	2
Eastland, Phase 1C	25.94	161	161	-	-
Eastland, Phase 2A (a)(b)	31.67	94	94	-	-
Eastland, Phase 2B (b)	33.21	106	91	15	-
Eastland, Phase 2C (a)	34.04	129	70	36	23
Eastland, Phase 3A (a)(b)	23.13	140	-	-	140
Eastland, Phase 3B (a)(b)	36.65	97	97	-	-
Total	276.16	1,065	836	51	178
Undevelopable (c)	15.83				
District Total	291.99				

(a) Floodplain acres included.
(b) Includes 0.22 acres for a Lift Station (Phase 3A), 0.42 acres for an Elevated Storage Tank (Phase 2A), and 14.92 acres for a school site (Phase 2B).
(c) Remaining permanent floodplain acreage that is not included in platted phases. The total permanent floodplain acreage within the District is approximately 43.08 acres.

Homebuilder within the District

Lennar is the sole homebuilder within the District. Home prices in the District range from approximately $197,999 to $324,999 and home sizes range from approximately 1,266 to 2,448 square feet.

EASTLAND

The District is part of the approximately 609.83–acre master-planned community of "Eastland," which is comprised entirely of the District and Kaufman County Municipal Utility District No. 12 ("KCMUD 12"). Lennar Homes of Texas Land and Construction LTD., a Texas Limited partnership, purchased such acres from UST-Heartland, L.P., a Texas limited partnership ("UST"). Eastland is located 15 miles east of downtown Dallas, 8 miles east of Mesquite and 2 miles north of the City of Crandall. Eastland is bounded by FM 741 to the northwest and Evans Road (County Road 260) to the northeast and Sunrise Boulevard (Blackland Rd.) to the southwest.

To date, approximately 360.88 acres (2,163 lots) have been developed with water distribution, sanitary sewer and storm drainage and road facilities to serve Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A, 3B, 4, 5 and 6. As of August 15, 2026, there were 863 completed homes, 75 homes under construction, and 1,225 vacant developed lots. Additionally, approximately 188.62 acres (710 lots) are currently under development within Eastland. The remaining land within Eastland is comprised of approximately 27.74 undevelopable acres and 32.59 undeveloped but developable acres.

DEVELOPER AND PRINCIPAL LANDOWNER

The Role of a Developer

In general, the activities of a developer in a municipal utility district, such as the District, include the following: acquiring the land within the district, designing the subdivision, the utilities and streets to be constructed in the subdivision, and any community facilities to be built; defining a marketing program and building schedule;

securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling improved lots and commercial reserves to builders and other developers or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to 30% of the cost of constructing certain water, wastewater and drainage facilities in a municipal utility district. The relative success or failure of a developer to perform such activities in the development of property within a municipal utility district may have a profound effect on the security of the bonds issued by a district. A developer is generally under no obligation to a municipal utility district to develop the property that it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a municipal utility district.

The Developer

Lennar Homes of Texas Land and Construction LTD., a Texas limited partnership ("Lennar" or the "Developer"), purchased all of the acreage within the District from UST.

KL LBH DSD AIV LLC ("KL"), a Delaware limited liability company, purchased approximately 276.17 acres within the District from Lennar for the purpose of owning and holding single-family lots and the remaining developable land on such acreage. Lennar manages the development of the lots within the District for KL and Lennar has retained the right to reimbursement of the public infrastructure constructed on such acreage. To date, Lennar has acquired 673 developed single-family lots within Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A and 3B from KL, and Lennar is currently constructing homes thereon.

Millrose Properties LLC ("Millrose"), a Delaware limited liability company, currently owns approximately 187 single-family lots within the District. To date, Lennar has acquired approximately 205 developed single-family lots within the District from Millrose.

As of August 15, 2026, the Developer has developed Eastland, Phases 1A, 1B, 1C, 2A, 2B, 2C, 3A and 3B on approximately 276.16 acres as 1,065 single-family lots.

The General Partner of Lennar is U.S. Home LLC, a Delaware limited liability company that is wholly-owned by Lennar Corporation. Lennar Corporation is a publicly traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for Lennar Corporation can be found online at http://phx.corporate-ir.net/phoenix.zhtml?c=65842&p=irol-irhome. Lennar Corporation is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by Lennar Corporation can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

Developer Financing

To date, the Developer has cash financed the development activity within the District. Pursuant to an agreement between Lennar and KL, Lennar is cash financing the development in the District and is reimbursed by KL. Pursuant to an agreement between Lennar and Millrose, Lennar is cash financing the development in the District and is reimbursed by Millrose.

Principal Landowner

Invitation Homes 7 Texas LP ("Invitation Homes"), the largest taxpayer within the District as of January 1, 2026, is a subsidiary of Invitation Homes Inc. Invitation Homes Inc. is a publicly traded real estate investment trust headquartered in Dallas, Texas, and its common stock is listed on the New York Stock Exchange under the symbol "INVH." Invitation Homes Inc. owns, leases, and manages single-family rental homes across the United States. Within the District, Invitation Homes operates a build-to-rent community. It purchases developed lots from Lennar, builds single-family homes on those lots, and leases the homes to residents. As of October 1, 2026, Invitation Homes had acquired 61 lots within the District in Eastland Phase 3B and has completed approximately 61 homes on such lots.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(September 2026)













PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(September 2026)













THE SYSTEM

Regulation

According to the Engineer, the Utility System and the Road System serving the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City of Crandall, and Kaufman County. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies and, the Utility System has been inspected by the TCEQ.

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

Master District Contract

The District is one of five (5) municipal utility districts, collectively comprising approximately 2,149 acres herein referred to as the "Service Area," created through the Texas Legislature: the District, Kaufman County Municipal Utility District No. 10 ("KCMUD 10"), Kaufman County Municipal Utility District No. 11 ("KCMUD 11"), Kaufman County Municipal Utility District No. 12 ("KCMUD 12"), and Kaufman County Municipal Utility District No. 14 ("KCMUD 14") (originally named Kingsborough Municipal Utility District Nos. 2 through 5 and 1, respectively). The District, KCMUD 10, KCMUD 11, KCMUD 12 and KCMUD 14 are collectively referred to herein as the "Participants," or each a "Participant" individually. KCMUD 12 also acts as the "Master District" and has contracted with each of the Participants to provide water supply and wastewater treatment capacity, as well as the regional water distribution trunklines, regional wastewater collection trunklines, and regional stormwater collection trunklines (collectively, the "Master District Facilities") necessary to serve the Service Area.

On March 7, 2005, each of the Participants, including the District, entered into a "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Drainage Facilities" ("Master District Contract") with the Master District relating to the Master District Facilities. The Master District Contract was approved by the voters of the District at an election held within the boundaries of the District on May 7, 2005. Each of the Participants have executed similar contracts with the Master District of which were approved by the voters of the Participants at elections held separately within the boundaries of each Participant.

Pursuant to the Master District Contract, the Master District is authorized to issue unlimited contract tax revenue bonds to complete the acquisition and construction of the Master District Facilities (the "Unlimited Contract Tax Revenue Bonds"). The Master District Contract provides that all Participants shall pay a pro rata share of debt service on the Unlimited Contract Tax Revenue Bonds issued by the Master District based upon each Participant's assessed valuation as a percentage of the total certified assessed valuation of the Service Area. Each Participant is obligated to make such payments from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by such Participant for such purpose on taxable property within its boundaries (the "Contract Tax"), which is not limited as to rate or amount, from revenues derived from the operations of such Participant's water distribution system and wastewater collection system, or from any other lawful source of such Participant's income. Each Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a Contract Tax or other available means of payment is the sole responsibility of each Participant for the purpose of paying its pro rata share of debt service on Unlimited Contract Tax Revenue Bonds. See "RISK FACTORS – Overlapping Master District Debt and Contract Tax" and " – Obligations to City of Mesquite."

The Master District has issued two series of Unlimited Contract Tax Revenue Bonds to finance the Master District Facilities. As of September 16, 2026, $10,475,000 principal amount of such bonds remains outstanding. It is further expected that the Master District will issue additional Unlimited Contract Tax Revenue Bonds in the future. For the 2026 tax year, the District has levied a Contract Tax of $0.0450 per $100 of assessed valuation to pay its pro rata share of the debt service on Unlimited Contract Tax Revenue Bonds issued by the Master District.

Each Participant is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The internal facilities are financed with unlimited ad

valorem tax bonds sold by each district, such as the Bonds. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within the Service Area. In the event that the Master District fails to meet its obligations under the Master District Contract to provide Master District Facilities, each of the other Participants has the right pursuant to its Master District Contract to design, acquire, construct, or expand the Master District Facilities needed to provide service to such Participant, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual capital costs expended by such Participant for such Master District Facilities.

The District is further obligated to pay monthly charges for water and sewer services rendered pursuant to the Master District Contract. The monthly charges will be used to pay the District's share of operation and maintenance expenses of the Master District Facilities and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. The District's share of operation and maintenance expenses and reserve requirements is determined by dividing the total number of equivalent single family residential connections ("ESFCs") within the District by the number of ESFCs for all of the Participants within the service area, as of the first day of each month. The District's monthly payment for operation and maintenance expenses is calculated by multiplying the District's pro rata share by the actual operation and maintenance expenses of the Master District.

Pursuant to the Master District Contract, the District is obligated to establish and maintain rates, fees and charges for services provided by the District's water distribution system and wastewater collection system, together with taxes levied and funds received from any other lawful sources, sufficient at all times to pay the District's operation and maintenance expenses, and the District's obligations pursuant to the Master District Contract, including the District's pro rata share of the Master District's debt service requirements and monthly charges. All sums payable by the District pursuant to the Master District Contract are to be paid by the District without set off, counterclaim, abatement, suspension or diminution. If the District fails to pay its share of these costs in a timely manner, the Master District Contract provides that the Master District shall be entitled to cancel, in whole or in part, any reservation or allocation of capacity in the Master District's Facilities by the District in addition to the Master District's other remedies. As a practical matter, the District has no alternative provider of these services rendered under the Master District Contract.

Agreement Regarding Wholesale Treated Water Service: Effective August 27, 2004, the Master District entered into an Agreement Regarding Wholesale Treated Water Service with the City of Mesquite. Such agreement was amended by the following: (i) First Amendment to Agreement Regarding Wholesale Treated Water Service, effective October 7, 2005; and (ii) Amended and Restated In Its Entirety Agreement Regarding Wholesale Treated Water Service, effective October 20, 2022, (collectively, the "Wholesale Water Agreement"). Each of the Participants has been added as a party to such agreement. Pursuant to such agreement, the City of Mesquite agrees to provide water necessary for the full development of the Service Area, contingent upon the City of Mesquite being able to purchase water from the North Texas Municipal Water District ("NTMWD"). Each of the Participants pays the bulk rate per 1,000 gallons that the City of Mesquite is charged for purchasing treated water from NTMWD plus 25% per 1,000 gallons. Based upon the City of Mesquite's existing contracts, the City of Mesquite has sufficient water supply to serve all the existing lots within the Service Area as well as the additional development underway.

Agreement Regarding Wholesale Wastewater Treatment Service: Effective August 27, 2004, the Master District entered into an Agreement Regarding Wholesale Wastewater Treatment Service with the City of Mesquite (the "Wholesale Wastewater Agreement"). Each of the Participants has been added as a party to such agreement. Pursuant to such agreement, the City of Mesquite agrees to provide wastewater treatment capacity necessary for the full development of the Service Area, contingent upon the City of Mesquite being able to purchase wastewater treatment capacity from the NTMWD. Each of the Participants pays the bulk rate per 1,000 gallons that the City of Mesquite is charged for purchasing wastewater treatment services from NTMWD plus 40% per 1,000 gallons. Based upon the City of Mesquite's existing contracts, the City of Mesquite has sufficient wastewater treatment capacity to serve all the existing lots within the Service Area as well as the additional development underway.

Description of the Utility System

Water Supply and Distribution: The City of Mesquite is the wholesale water provider to the Service Area, including the District. The City of Mesquite, in turn, contracts with the NTMWD for the provision of treated water to the City in the volume set forth in the contract and to the extent such water is available. The Wholesale

Water Agreement provides that the City of Mesquite will provide adequate water supply for all of the Service Area, including approximately 12,500 residential units, schools, commercial, civic and other associated uses. There is an existing 24-inch water line from the City of Mesquite to the Service Area pump station on the north side of I-20. This water line has the capacity to serve approximately 12,500 ESFCs. See " – Master District Contract – *Agreement Regarding Wholesale Treated Water Service*" above.

Wastewater Treatment and Conveyance System: The City of Mesquite is the wholesale sewer provider to the Service Area. The City of Mesquite, in turn, has contracted with the NTMWD for service from NTMWD's regional wastewater treatment plant. NTMWD has completed construction of a regional sewer line called Lower East Fork Interceptor System ("LEFIS") along Mustang Creek southwest of the Service Area that will serve the Service Area as well as other future development in the Mustang Creek basin. See " – Master District Contract – *Agreement Regarding Wholesale Wastewater Treatment Service*" above.

Drainage: Stormwater runoff from the Service Area discharges into two major creeks, Buffalo Creek to the east and Mustang Creek to the west. There are numerous small tributaries to these creeks that convey runoff from developed areas. The master development plan for the Service Area indicates that these tributaries will be preserved in their natural state.

There is also a large Natural Resource Conservation Service flood control dam at the northeast corner of the Service Area. The reservoir has a capacity of approximately 200 acre-feet. The dam and spillway were originally constructed during the 1950's. These facilities were reconstructed and brought up to then current design standards in 2005.

Description of the Road System

Construction of the roads within the boundaries of the District has been financed with funds advanced by the Developers. The proceeds from the sale of bonds issued for the Road System, including the Bonds, will be used to reimburse the Developers for road improvements for the existing phases and future phases within the District. Roadways within the District are constructed of reinforced concrete with curbs on lime-stabilized subgrade. Roads vary in width, but are sized to accommodate the anticipated traffic demands of full build-out of the project. The District owns and maintains the roads within the District.

[Remainder of Page Intentionally Left Blank]

Historical Operations of the Utility System

The figures for the fiscal year ending September 30 in the years 2023-2025, were obtained from the District's annual financial reports, reference to which is hereby made. See "APPENDIX A." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ended September 30		
Revenues	**2025**	**2024**	**2023**
Property Taxes	$932,577	$ 213,556	$ 58,351
Water Service	506,231	286,501	45,939
Wastewater Service	266,870	133,167	6,555
Garbage Service	78,188	19,668	–
Penalty and Interest	22,940	18,070	
Tap Connection and Inspection Fees	379,580	401,729	43,863
Investment and Miscellaneous Revenues	14,576	2,925	2,422
Total Revenues	$2,200,962	$1,075,616	$157,130
Expenditures			
Professional Fees	$100,931	$ 80,361	$ 85,089
Contracted Services	345,251	207,331	60,456
Purchased Master District Services	637,029	549,897	–
Repairs, Maintenance, and Capital Outlay	230,655	216,239	21,926
Other	209,631	734,201	20,791
Total Expenditures	$1,523,497	$1,788,029	$188,262
Net Revenues (Deficit)	$677,465	($712,413)	($31,132)
Developer Advances	$610,000	$490,000	$ 50,000
Transfers In (Out)	-	$(4,000)	
Beginning Fund Balance	$(247,254)	$(20,841)	$ (39,709)
End Fund Balance	$1,040,211	$(247,254)	$ (20,841)

[Remainder of Page Intentionally Left Blank]

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Coats Rose, P.C., Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See "TAX MATTERS" below. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Bond Counsel's opinion will also address the matters described below.

In addition to serving as Bond Counsel, Coats Rose, P.C., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Disclosure Counsel.

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

Legal Review

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS" (except for information under the subheadings " – Book-Entry-Only System" and " – Use and Distribution of Bond Proceeds"), "THE DISTRICT – General," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," "QUALIFIED TAX-EXEPMT OBLIGATIONS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District 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.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the Date of Delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge and belief of the certifying officers, threatened against the District contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority of

proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the titles of the then present officers of the Board.

No Material Adverse Change

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

TAX MATTERS

Opinion

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

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

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all

periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

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

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

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

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

Collateral Federal Income Tax Consequences

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

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

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

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds;

although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following covenants for the benefit of the holders of the Bonds. The District is required to observe these covenants for so long as it remains obligated to pay the Bonds. Under the covenants, the District will be obligated to provide certain updated financial information and operating data annually, as well as timely notice of specified events, to the Municipal Securities Rulemaking Board or any successor to its function as a repository (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT" (excluding the subsection titled "Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six months after the end of each fiscal year. The District will provide the updated information via EMMA. The District will update and provide this information within six months after the end of each fiscal year ending in or after 2026.

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

The District's fiscal year end is currently September 30. Accordingly, it must provide updated information

by March 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Event Notices

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

Availability of Information

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

Since entering its first continuing disclosure agreement in 2024, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule, except that the District was late to file its annual financial information and operating data for the fiscal year ended September 30, 2024. Upon discovery of such deficiency, the District filed a notice of non-compliance and filed its annual financial information and operating data. The District has implemented procedures to ensure proper filing of future reports.

OFFICIAL STATEMENT

General

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

The District's audited financial statements for the year ended September 30, 2025, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, and have been included herein as “APPENDIX A.” McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, has consented to the publication of such financial statements in this Official Statement.

Experts

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

The information contained in this Official Statement relating to engineering and to the description of the Utility System and the Road System generally and, in particular, the engineering information included in the sections captioned “THE DISTRICT,” “DEVELOPMENT STATUS OF THE DISTRICT,” and “THE SYSTEM” has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations, analysis of the tax base and percentages of tax collections contained in the sections captioned “TAX DATA” has been provided from information publicly available from the Appraisal District, and has been included herein in reliance upon the authority of such parties as experts in the field of tax assessing and collecting.

Certification as to Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board of Directors of the District, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the Date of Delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data, contained in this Official Statement, of or pertaining to entities other than the District, such statements and data have been obtained from sources which the District believes to be reliable, and the District has no reason to believe that they are untrue in any material respect.

Updating the Official Statement

If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser. The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Kaufman County Municipal Utility District No. 9 as of the date specified on the first page hereof.

/s/ _____
John Hughes
President, Board of Directors
Kaufman County Municipal Utility District No. 9

ATTEST:

/s/ _____
David Snow
Secretary, Board of Directors
Kaufman County Municipal Utility District No. 9

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

KAUFMAN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	9-10
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	12-13
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	14
NOTES TO THE FINANCIAL STATEMENTS	15-27
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND	29
SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	31-33
GENERAL FUND EXPENDITURES	34
TAXES LEVIED AND RECEIVABLE	35-36
LONG-TERM DEBT SERVICE REQUIREMENTS	37
CHANGES IN LONG-TERM BOND DEBT	38-39
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND – THREE YEARS	40-43
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	44-45

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
Kaufman County Municipal Utility District No. 9
Kaufman County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Kaufman County Municipal Utility District No. 9 (the "District") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Kaufman County Municipal Utility District No. 9

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

February 4, 2026

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Management's discussion and analysis of the financial performance of Kaufman County Municipal Utility District No. 9 provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for maintenance tax revenues, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing the District's pro rata share of the Master District's contract debt obligations, 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 $3,393,671 as of September 30, 2025. A portion of the District's net position reflects its net investment in capital assets which includes roads as well as the water, wastewater and drainage facilities less any debt used to acquire those assets that is still outstanding.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in the Statement of Net Position as of September 30, 2025, and September 30, 2024.

Summary of Changes in the Statement of Net Position

	2025	2024	Change Positive (Negative)
Current Assets	$ 1,954,333	$ 220,978	$ 1,733,355
Capital Assets (Net of Depreciation)	34,731,038	34,941,798	(210,760)
Total Assets	$ 36,685,371	$ 35,162,776	$ 1,522,595
Due to Developers	$ 29,477,686	$ 36,402,839	$ 6,925,153
Bonds Payable	10,254,785		(10,254,785)
Other Liabilities	346,571	464,177	117,606
Total Liabilities	$ 40,079,042	$ 36,867,016	$ (3,212,026)
Net Position:			
Net Investment in Capital Assets	$ (3,513,438)	$ (794,597)	$ (2,718,841)
Restricted	352,598	3,363	349,235
Unrestricted	(232,831)	(913,006)	680,175
Total Net Position	$ (3,393,671)	$ (1,704,240)	$ (1,689,431)

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

Summary of Changes in the Statement of Activities

	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 966,725	$ 223,692	$ 743,033
Service Revenues	1,253,809	859,135	394,674
Miscellaneous Revenues	154,493	3,232	151,261
Total Revenues	$ 2,375,027	$ 1,086,059	$ 1,288,968
Expenses for Services	4,064,458	2,475,221	(1,589,237)
Change in Net Position	$ (1,689,431)	$ (1,389,162)	$ (300,269)
Net Position, Beginning of Year	(1,704,240)	(315,078)	(1,389,162)
Net Position, End of Year	$ (3,393,671)	$ (1,704,240)	$ (1,689,431)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2025, were $1,640,938, an increase of $1,884,862 from the prior year.

The General Fund fund balance increased by $1,287,465, primarily due to property tax revenues, service revenues and developer advances exceeding operating expenditures.

The Debt Service Fund fund balance increased by $385,846, primarily due to the receipt of capitalized interest from the sale of Series 2024 Road Bonds.

The Capital Projects Fund fund balance increased by $211,551. The District issued Series 2024 Road Bonds and used the proceeds to reimburse its Developers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the current fiscal year. The budget was amended to reflect anticipated changes to purchased Master District services. Actual revenues were $208,862 more than budgeted revenues, actual expenditures were $72,008 more than budgeted expenditures and developer advances were $610,000 more than budgeted. The result was a positive variance of $746,854. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of September 30, 2025, total $34,731,038 (net of accumulated depreciation) and include roads as well as the water, wastewater and drainage systems. Current year capital asset additions included the purchase and/or construction of roads and utility infrastructure which serve District customers.

Capital Assets At Year-End

	2025	2024	Change Positive (Negative)
Capital Assets Subject to Depreciation:			
Water System	$ 7,957,275	$ 7,823,017	$ 134,258
Wastewater System	7,493,381	7,355,082	138,299
Drainage System	5,725,029	5,640,928	84,101
Roads	15,163,513	14,917,368	246,145
Less Accumulated Depreciation	(1,608,160)	(794,597)	(813,563)
Total Net Capital Assets	$ 34,731,038	$ 34,941,798	$ (210,760)

LONG-TERM DEBT

At fiscal year end, the District had total bond debt payable of $10,250,000. The changes in bonds payable during the current fiscal year are summarized in the following table:

Bond Debt Payable, October 1, 2024	$ - 0 -
Add: Bond Sale - Series 2024 Road	10,250,000
Bond Debt Payable, September 30, 2025	$ 10,250,000

The Series 2024 Road Bonds do not carry an underlying rating but does carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

As of September 30, 2025, the District recorded a Developer liability of $29,477,686, which includes payments made by the Developer on behalf of the District for operating advances and construction costs.

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 Kaufman County Municipal Utility District No. 9, c/o Coats Rose, P.C., 16000 North Dallas Parkway, Suite 350, Dallas, TX 75248.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 801,708	$ 558,594
Receivables:		
Property Taxes	3,402	114
Service Accounts	97,631	
Due from Other Funds	169,418	
Prepaid Costs	24,394	
Master District Facilities Operating Advance	256,939	
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 1,353,492	$ 558,708
LIABILITIES		
Accounts Payable	$ 247,757	$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		169,418
Security Deposits	62,122	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 309,879	$ 169,418
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 3,402	$ 114
FUND BALANCES/NET POSITION		
FUND BALANCES		
Nonspendable: Prepaid Costs	$ 24,394	$
Master District Facilities Operating Advance	256,939	
Restricted for Authorized Construction		
Restricted for Debt Service		389,176
Unrestricted	758,878	
TOTAL FUND BALANCES	$ 1,040,211	$ 389,176
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,353,492	$ 558,708
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
$ 211,551	$ 1,571,853	$	$ 1,571,853
	3,516		3,516
	97,631		97,631
	169,418	(169,418)	
	24,394		24,394
	256,939		256,939
		34,731,038	34,731,038
$ 211,551	$ 2,123,751	$ 34,561,620	$ 36,685,371
$	$ 247,757	$	$ 247,757
		36,692	36,692
		29,477,686	29,477,686
	169,418	(169,418)	
	62,122		62,122
		255,000	255,000
		9,999,785	9,999,785
$ - 0 -	$ 479,297	$ 39,599,745	$ 40,079,042
$ - 0 -	$ 3,516	$ (3,516)	$ - 0 -
$	$ 24,394	$ (24,394)	$
	256,939	(256,939)	
211,551	211,551	(211,551)	
	389,176	(389,176)	
	758,878	(758,878)	
$ 211,551	$ 1,640,938	$ (1,640,938)	$ - 0 -
$ 211,551	$ 2,123,751		
		$ (3,513,438)	$ (3,513,438)
		352,598	352,598
		(232,831)	(232,831)
		$ (3,393,671)	$ (3,393,671)

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

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds		$ 1,640,938
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.		34,731,038
Deferred inflows of resources related to property taxes receivable for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		3,516
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities consist of:		
Due to Developer	$ (29,477,686)	
Accrued Interest Payable	(36,692)	
Bonds Payable	(10,254,785)	(39,769,163)
Total Net Position - Governmental Activities		$ (3,393,671)

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

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 932,577	$ 31,357
Water Service	506,231	
Wastewater Service	266,870	
Garbage Service	78,188	
Penalty and Interest	22,940	
Connection and Inspection Fees	379,580	
Investment and Miscellaneous Revenues	14,576	116,473
TOTAL REVENUES	$ 2,200,962	$ 147,830
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 100,931	$ 42,604
Contracted Services	345,251	8,555
Purchased Master District Services	637,029	
Repairs and Maintenance	230,655	
Depreciation		
Other	209,631	126
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Issuance Costs		
Bond Interest		343,679
Contractual Obligation		27,470
TOTAL EXPENDITURES/EXPENSES	$ 1,523,497	$ 422,434
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 677,465	$ (274,604)
OTHER FINANCING SOURCES (USES)		
Developer Advances	$ 610,000	$
Proceeds From Issuance of Long-Term Debt		660,450
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ 610,000	$ 660,450
NET CHANGE IN FUND BALANCES	$ 1,287,465	$ 385,846
CHANGE IN NET POSITION		
FUND BALANCES (DEFICIT)/NET POSITION - OCTOBER 1, 2024	(247,254)	3,330
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2025	$ 1,040,211	$ 389,176

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 963,934	$ 2,791	$ 966,725
	506,231		506,231
	266,870		266,870
	78,188		78,188
	22,940		22,940
	379,580		379,580
23,444	154,493		154,493
$ 23,444	$ 2,372,236	$ 2,791	$ 2,375,027
$	$ 143,535	$	$ 143,535
	353,806		353,806
	637,029		637,029
	230,655		230,655
		813,563	813,563
10	209,767		209,767
477,260	477,260		477,260
8,137,956	8,137,956	(8,137,956)	
791,173	791,173		791,173
	343,679	36,521	380,200
	27,470		27,470
$ 9,406,399	$ 11,352,330	$ (7,287,872)	$ 4,064,458
$ (9,382,955)	$ (8,980,094)	$ 7,290,663	$ (1,689,431)
$	$ 610,000	$ (610,000)	$
9,589,550	10,250,000	(10,250,000)	
(183,575)	(183,575)	183,575	
188,531	188,531	(188,531)	
$ 9,594,506	$ 10,864,956	$ (10,864,956)	$ -0-
$ 211,551	$ 1,884,862	$ (1,884,862)	$
		(1,689,431)	(1,689,431)
	(243,924)	(1,460,316)	(1,704,240)
$ 211,551	$ 1,640,938	$ (5,034,609)	$ (3,393,671)

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

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Governmental Funds	$	1,884,862
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.		2,791
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(813,563)
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.		8,137,956
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.		(36,521)
Governmental funds report bond proceeds, bond premiums, and bond discounts as other financing sources and uses. In governmental activities, bonds payable, net of unamortized bond discounts and bond premiums, are recorded as long term liabilities.		(10,254,956)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(610,000)
Change in Net Position - Governmental Activities	$	(1,689,431)

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

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. CREATION OF DISTRICT

Kaufman County Municipal Utility District No. 9, formerly known as Kingsborough Municipal Utility District No. 2 of Kaufman County, Texas, was created in 2003, by H.B. No. 3622, 78th Legislature of Texas, Regular Session, as a conservation and reclamation district created under and essential to accomplishing the purposes of Section 59, Article XVI and Section 52, Article III of the Texas Constitution. The District is under the oversight of the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, roads, solid waste collection and disposal, and operation and maintenance of recreational facilities. The District may operate and maintain a fire department if approved by voters and the Commission. The Board of Directors held its organizational meeting on March 7, 2005.

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.

The District and the other districts in the development have contracted with Kaufman County Municipal Utility District No. 12 ("Master District") for the financing, operation, and maintenance of regional water, sanitary sewer, and drainage facilities. These facilities are under the oversight of the Master District's Board of Directors and financial activity of the Master District has been included in the financial statements of the District as a note disclosure (see Note 8).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification"). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted.

These classifications are defined as follows:

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

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

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

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

Government-Wide Financial Statements

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

The District has three governmental funds and considers each to be a major fund. The General Fund accounts for maintenance tax revenues, customer service revenues, 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, the District's pro rata share of the Master District's contract debt obligations, 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.

Basis of Accounting

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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.

The Debt Service Fund recorded a payable to the General Fund of $169,418 for maintenance taxes.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their 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 greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Roads	10-50

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

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

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. Governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Series 2024 Road
Amount Outstanding – September 30, 2025	$ 10,250,000
Interest Rates	4.00% - 6.50%
Maturity Dates - Serially Beginning/Ending	September 1, 2026/2049
Interest Payment Dates	March 1/ September 1
Callable Dates	November 1, 2030*

* Or on any date thereafter, callable at par plus unpaid accrued interest in whole or in part at the option of the District. Series 2024 Road term bonds due September 1, 2047 and 2049, are subject to mandatory redemption beginning September 1, 2045 and 2048, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

Bond related activity for the current fiscal year is summarized in the following table:

	October 1, 2024	Additions	Retirements	September 30, 2025
Bonds Payable	$	$ 10,250,000	$	$ 10,250,000
Unamortized Discounts		(183,575)	(6,317)	(177,258)
Unamortized Premiums		188,531	6,488	182,043
Bonds Payable, Net	$ -0-	$ 10,254,956	$ 171	$ 10,254,785

Amount Due Within One Year	$ 255,000
Amount Due After One Year	9,999,785
Bonds Payable, Net	$ 10,254,785

Debt service requirements on the outstanding bonds are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2026	$ 255,000	$ 440,300	$ 695,300
2027	265,000	423,725	688,725
2028	275,000	406,500	681,500
2029	290,000	390,000	680,000
2030	300,000	372,600	672,600
2031-2035	1,700,000	1,643,000	3,343,000
2036-2040	2,095,000	1,272,400	3,367,400
2041-2045	2,580,000	816,000	3,396,000
2046-2049	2,490,000	254,000	2,744,000
	$ 10,250,000	$ 6,018,525	$ 16,268,525

The District has authorized but unissued bonds in the amount of $78,000,000 for water, sewer and drainage facilities and an additional $117,000,000 for refunding of such bonds, and $31,750,000 for roads and an additional $63,000,000 for refunding of such bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended September 30, 2025, the District did not levy an ad valorem debt service tax rate for the 2024 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy and Note 8 for the contract tax levy.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, 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 each five-year anniversary of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $1,571,853 and the bank balance was $1,605,469. The District was not exposed to custodial credit risk at year-end.

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

	Cash
GENERAL FUND	$ 801,708
DEBT SERVICE FUND	558,594
CAPITAL PROJECTS FUND	211,551
TOTAL DEPOSITS	$ 1,571,853

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.

As of September 30, 2025, the District had no investments.

NOTE 6. CAPITAL ASSETS

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

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital Assets Subject to Depreciation				
Water System	$ 7,823,017	$ 134,258	$	$ 7,957,275
Wastewater System	7,355,082	138,299		7,493,381
Drainage System	5,640,928	84,101		5,725,029
Roads	14,917,368	246,145		15,163,513
Total Capital Assets Subject to Depreciation	$ 35,736,395	$ 602,803	$ - 0 -	$ 36,339,198
Less Accumulated Depreciation				
Water System	$ 185,594	$ 178,577	$	$ 364,171
Wastewater System	208,141	168,321		376,462
Drainage System	134,044	128,319		262,363
Roads	266,818	338,346		605,164
Total Accumulated Depreciation	$ 794,597	$ 813,563	$ - 0 -	$ 1,608,160
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 34,941,798	$ (210,760)	$ - 0 -	$ 34,731,038

NOTE 7. MAINTENANCE TAX

On May 7, 2005, the voters of the District approved the levy and collection of a maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's systems as well as professional and administrative costs. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.9675 per $100 of assessed valuation, which resulted in a tax levy of $933,052 on the adjusted taxable valuation of $96,439,488 for the 2024 tax year.

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

NOTE 8. CONTRACT WITH THE MASTER DISTRICT

The District executed a 50-year contract with Kaufman County Municipal Utility District No. 12 ("Master District") for the financing, operation and maintenance of the Master District's regional water, sanitary sewer, and drainage facilities. The Master District administers the contract for the Participants, one of which is the Master District itself. The District, Kaufman County Municipal District No. 10, Kaufman County Municipal Utility District No. 11, Kaufman County Municipal Utility District No. 12, and Kaufman County Municipal Utility District No. 14 (formerly known as Kaufman County Municipal Utility District No. 8) are the Participants at this time.

The Master District entered into the Agreement Regarding Wholesale Treated Water Service and the Agreement Regarding Wholesale Wastewater Treatment Service with the City of Mesquite, Texas for the purpose of providing both water and wastewater treatment services. Each Participant has been added as additional parties to these agreements. Each Participant has contracted with the Master District to provide, receive, and transport its water supply, sanitary waste, and storm waters through the Master District facilities. The Master District bills each Participant its share of the monthly charges incurred by the Master District. Each Participant's share of the monthly charges is determined by dividing the total number of equivalent single family residential connections for all Participants by the number of equivalent single-family connections for each Participant.

The Master District's Developer has paid for the construction, engineering and related costs necessary to fund the construction of the Master District Facilities. These payments were made in accordance with financing agreements entered into between the Master District and its Developer. The Master District owns and operates the Master District facilities. The Master District finances the Master District facilities through the issuance of Master District bonds. Each Participant is responsible for its pro rata share of the debt service requirements on the Master District bonds. Pro rata shares will be calculated by dividing each Participant's certified appraised value by the cumulative total of the certified values of all the Participants.

On May 7, 2005, the voters within the District approved the levy and collection of an annual contract tax imposed on all taxable property within the boundaries of the District at an unlimited amount per $100 of assessed valuation for purposes of making payments pursuant to the Master District contract. The Commission approved the levy of a contract tax by the District in a sufficient amount to make payments related to the above noted contracts. During the current fiscal year, the District levied an ad valorem contract tax rate of $0.0325 per $100 of assessed valuation, which resulted in a tax levy of $31,343 on the adjusted taxable valuation of $96,439,488 for the 2024 tax year.

NOTE 8. CONTRACT WITH THE MASTER DISTRICT (Continued)

Future debt service requirements on the Master District Contract Tax Revenue Bonds outstanding as of year end are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2026	$ 280,000	$ 450,444	$ 730,444
2027	295,000	434,506	729,506
2028	305,000	418,156	723,156
2029	320,000	404,556	724,556
2030	335,000	389,581	724,581
2031-2035	1,905,000	1,700,782	3,605,782
2036-2040	2,340,000	1,270,806	3,610,806
2041-2045	2,905,000	753,939	3,658,939
2046-2049	2,070,000	160,150	2,230,150
	$ 10,755,000	$ 5,982,920	$ 16,737,920

The following summary financial data of the Kaufman County Municipal Utility District No. 12 Special Revenue Fund (Master District activity) is presented for the fiscal year ending September 30, 2025. Copies of financial statements on the Master District can be obtained by contacting the Master District's attorney.

Total Assets	$ 4,192,115
Total Liabilities	4,192,115
Total Fund Balance	$ -0-
Total Revenues and Transfers	$ 14,787,312
Total Expenditures	14,787,312
Net Change in Fund Balance	$ -0-
Fund Balance - October 1, 2024, as adjusted	
Fund Balance - September 30, 2025	$ -0-

NOTE 9. RISK MANAGEMENT

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

NOTE 10. UNREIMBURSED DEVELOPER COSTS

The District and the Developers have entered into development agreements which call for the Developers to fund road and utilities infrastructure construction costs as well as make operating advances. Reimbursement to the Developers is contingent upon approval from the Commission and the future sale of bonds. Current year activity related to costs funded by the Developers are summarized in the following table:

Due to Developers, October 1, 2024	$	36,402,839
Add: Current Year Additions		1,212,803
Less: Current Year Reimbursements		(8,137,956)
Due to Developers, September 30, 2025	$	29,477,686

NOTE 11. BOND SALE

On November 20, 2024, the District closed on the sale of its $10,250,000 Series 2024 Unlimited Tax Road Bonds. Proceeds were used to reimburse the Developer for costs related to road system improvements and related engineering. Additional proceeds were used to pay certain issuance costs of the bonds, Developer interest, and capitalized interest.

NOTE 12. SUBSEQUENT EVENT – BOND SALE

On October 23, 2025, subsequent to year-end, the District closed on the sale of its $2,650,000 Series 2025 Unlimited Tax Road Bonds. Proceeds were used to reimburse the Developer for costs related to road system improvements and related engineering. Additional proceeds were used to pay certain issuance costs of the bonds, Developer interest, and capitalized interest.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Amended and Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 919,700	$ 919,700	$ 932,577	$ 12,877
Water Service	375,000	375,000	506,231	131,231
Wastewater Service	215,000	215,000	266,870	51,870
Garbage Service	42,000	42,000	78,188	36,188
Penalty and Interest	14,000	14,000	22,940	8,940
Connection and Inspection Fees	423,400	423,400	379,580	(43,820)
Investment and Miscellaneous Revenues	3,000	3,000	14,576	11,576
TOTAL REVENUES	$ 1,992,100	$ 1,992,100	$ 2,200,962	$ 208,862
EXPENDITURES				
Service Operations:				
Professional Fees	$ 94,500	$ 94,500	$ 100,931	$ (6,431)
Contracted Services	287,000	287,000	345,251	(58,251)
Purchased Master District Services	412,105	545,177	637,029	(91,852)
Repairs, Maintenance, Capital Outlay	300,500	300,500	230,655	69,845
Other	624,312	224,312	209,631	14,681
TOTAL EXPENDITURES	$ 1,718,417	$ 1,451,489	$ 1,523,497	$ (72,008)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 273,683	$ 540,611	$ 677,465	$ 136,854
OTHER FINANCING SOURCES (USES)				
Developer Advances	$ -0-	$ -0-	$ 610,000	$ 610,000
NET CHANGE IN FUND BALANCE	$ 273,683	$ 540,611	$ 1,287,465	$ 746,854
FUND BALANCE (DEFICIT) - OCTOBER 1, 2024	(247,254)	(247,254)	(247,254)	
FUND BALANCE - SEPTEMBER 30, 2025	$ 26,429	$ 293,357	$ 1,040,211	$ 746,854

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2025

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

2. RETAIL SERVICE PROVIDERS

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

The below rates are based on the rate order effective September 16, 2025.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 40.00	-0-	N	$ 3.65	0,001 to 8,000
				$ 4.50	8,001 to 12,000
				$ 5.50	12,001 to 15,000
				$ 6.50	15,001 and up
WASTEWATER:	$ 25.00	-0-	N	$ 2.20	0,001 to 8,000
				$ 3.00	8,001 to 12,000
				$ 4.00	12,001 to 15,000
				$ 5.00	15,001 and up
SURCHARGE:					
Garbage Fee	$ 25.00*		Y		

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

Total monthly charges per 10,000 gallons usage: Water: $78.20 Wastewater: $48.60

*Plus applicable taxes.

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	766	759	x 1.0	759
1"	8	8	x 2.5	20
1½"			x 5.0	
2"	3	3	x 8.0	24
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	777	770		803
Total Wastewater Connections	768	761	x 1.0	761

3. TOTAL WATER CONSUMPTION: *

* The District participates in regional facilities under the oversight of Kaufman County Municipal Utility District No. 12 Master District. The Master District entered into the Agreement Regarding Wholesale Treated Water Service and the Agreement Regarding Wholesale Wastewater Treatment Service with the City of Mesquite, Texas for the purpose of providing both water and wastewater treatment services to the participants.

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Kaufman County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

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

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Crandall, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PROFESSIONAL FEES:		
Auditing	$	12,000
Engineering		40,794
Legal		48,137
TOTAL PROFESSIONAL FEES	$	100,931
PURCHASED MASTER DISTRICT SERVICES	$	637,029
CONTRACTED SERVICES:		
Bookkeeping	$	13,322
Operations and Billing		68,715
Security		136,682
Solid Waste Disposal		126,532
TOTAL CONTRACTED SERVICES	$	345,251
UTILITIES	$	13,800
REPAIRS AND MAINTENANCE	$	230,655
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	7,950
Insurance		4,384
Website and Other		848
TOTAL ADMINISTRATIVE EXPENDITURES	$	13,182
OTHER EXPENDITURES:		
Laboratory Fees	$	19,734
Regulatory Assessment and Permit Fees		2,506
Connection and Inspection Fees		160,409
TOTAL OTHER EXPENDITURES	$	182,649
TOTAL EXPENDITURES	$	1,523,497

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes		Contract Taxes	
TAXES RECEIVABLE - OCTOBER 1, 2024	$ 692		$ 33	
Adjustments to Beginning Balance	2,235	$ 2,927	95	$ 128
Original 2024 Tax Levy	$ 938,489		$ 31,526	
Adjustment to 2024 Tax Levy	(5,437)	933,052	(183)	31,343
TOTAL TO BE ACCOUNTED FOR		$ 935,979		$ 31,471
TAX COLLECTIONS:				
Prior Years	$ 2,245		$ 105	
Current Year	930,332	932,577	31,252	31,357
TAXES RECEIVABLE - SEPTEMBER 30, 2025		$ 3,402		$ 114
TAXES RECEIVABLE BY YEAR:				
2024		$ 2,720		$ 91
2023		682		23
TOTAL		$ 3,402		$ 114

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2024	2023	2022
PROPERTY VALUATIONS:			
Land	$ 68,524,137	$ 22,602,318	$ 15,994,176
Improvements	28,633,321		
Exemptions	(717,970)	(233,129)	(9,819,000)
TOTAL PROPERTY VALUATIONS	$ 96,439,488	$ 22,369,189	$ 6,175,176
TAX RATES PER $100 VALUATION:			
Debt Service	$ 0.0000	$ 0.000	$ 0.000
Contract	0.0325	0.045	0.045
Maintenance	0.9675	0.955	0.955
TOTAL TAX RATES PER $100 VALUATION	$ 1.0000	$ 1.000	$ 1.000
ADJUSTED TAX LEVY*	$ 964,395	$ 223,692	$ 61,752
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.71 %	99.70 %	100.00 %

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

Maintenance Tax – Maximum tax rate of $1.00 per $100 assessed valuation approved by voters on May 7, 2005.

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	SERIES-2024 ROAD		
	Principal Due September 1	Interest Due March 1/ September 1	Total
2026	$ 255,000	$ 440,300	$ 695,300
2027	265,000	423,725	688,725
2028	275,000	406,500	681,500
2029	290,000	390,000	680,000
2030	300,000	372,600	672,600
2031	310,000	354,600	664,600
2032	325,000	342,200	667,200
2033	340,000	329,200	669,200
2034	355,000	315,600	670,600
2035	370,000	301,400	671,400
2036	385,000	286,600	671,600
2037	400,000	271,200	671,200
2038	420,000	255,200	675,200
2039	435,000	238,400	673,400
2040	455,000	221,000	676,000
2041	475,000	202,800	677,800
2042	495,000	183,800	678,800
2043	515,000	164,000	679,000
2044	535,000	143,400	678,400
2045	560,000	122,000	682,000
2046	585,000	99,600	684,600
2047	610,000	76,200	686,200
2048	635,000	51,800	686,800
2049	660,000	26,400	686,400
	$ 10,250,000	$ 6,018,525	$ 16,268,525

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Description	Original Bonds Issued	Bonds Outstanding October 1, 2024
Kaufman County Municipal Utility District No. 9 Unlimited Tax Road Bonds - Series 2024	$ 10,250,000	$ - 0 -

Bond Authority:	Utility Refunding Bonds	Road Refunding Bonds	Utility Bonds	Road Bonds
Amount Authorized by Voters	$ 117,000,000	$ 63,000,000	$ 78,000,000	$ 42,000,000
Amount Issued				10,250,000
Remaining to be Issued	$ 117,000,000	$ 63,000,000	$ 78,000,000	$ 31,750,000

Debt Service Fund cash balances as of September 30, 2025:	$ 558,594
Average annual debt service payment for remaining term of all bond debt:	$ 677,855

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding September 30, 2025	Paying Agent
$ 10,250,000	$ - 0 -	$ 343,679	$ 10,250,000	Zions Bancorporation, NA Houston, Texas

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - THREE YEARS

	Amounts	
	2025	2024
REVENUES		
Property Taxes	$ 932,577	$ 213,556
Water Service	506,231	286,501
Wastewater Service	266,870	133,167
Garbage Service	78,188	19,668
Penalty and Interest	22,940	18,070
Connection and Inspection Fees	379,580	401,729
Investment and Miscellaneous Revenues	14,576	2,925
TOTAL REVENUES	$ 2,200,962	$ 1,075,616
EXPENDITURES		
Professional Fees	$ 100,931	$ 80,361
Contracted Services	345,251	207,331
Purchased Master District Services	637,029	549,897
Repairs, Maintenance, and Capital Outlay	230,655	216,239
Other	209,631	734,201
TOTAL EXPENDITURES	$ 1,523,497	$ 1,788,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 677,465	$ (712,413)
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	$	$ (4,000)
Developer Advances	610,000	490,000
TOTAL OTHER FINANCING SOURCES (USES)	$ 610,000	$ 486,000
NET CHANGE IN FUND BALANCE	$ 1,287,465	$ (226,413)
BEGINNING FUND BALANCE (DEFICIT)	(247,254)	(20,841)
ENDING FUND BALANCE (DEFICIT)	$ 1,040,211	$ (247,254)

See accompanying independent auditor's report.

	Percentage of Total Revenues		
2023	2025	2024	2023
$ 58,351	42.4 %	19.9 %	37.2 %
45,939	23.0	26.6	29.2
6,555	12.1	12.4	4.2
	3.6	1.8	
2,422	1.0	1.7	1.5
43,863	17.2	37.3	27.9
	0.7	0.3	
$ 157,130	100.0 %	100.0 %	100.0 %
$ 85,089	4.6 %	7.5 %	54.2 %
60,456	15.7	19.3	38.5
	28.9	51.1	
21,926	10.5	20.1	14.0
20,791	9.5	68.3	13.2
$ 188,262	69.2 %	166.3 %	119.9 %
$ (31,132)	30.8 %	(66.3) %	(19.9) %
$			
50,000			
$ 50,000			
$ 18,868			
(39,709)			
$ (20,841)			

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – THREE YEARS

	Amounts	
	2025	2024
REVENUES		
Property Taxes	$ 31,357	$ 10,062
Penalty, Interest and Other	116,473	307
TOTAL REVENUES	$ 147,830	$ 10,369
EXPENDITURES		
Tax Collection and Other Costs	$ 51,285	$ 2,741
Debt Service Interest	343,679	
Contractual Obligation	27,470	9,228
TOTAL EXPENDITURES	$ 422,434	$ 11,969
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (274,604)	$ (1,600)
OTHER FINANCING SOURCES (USES)		
Transfers In	$	$ 4,000
Proceeds From Issuance of Long-term Debt	660,450	
TOTAL OTHER FINANCING SOURCES (USES)	$ 660,450	$ 4,000
NET CHANGE IN FUND BALANCE	$ 385,846	$ 2,400
BEGINNING FUND BALANCE	3,330	930
ENDING FUND BALANCE	$ 389,176	$ 3,330
TOTAL ACTIVE RETAIL WATER CONNECTIONS	770	439
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	761	434

See accompanying independent auditor's report.

	Percentage of Total Revenues		
2023	2025	2024	2023
$ 2,750	21.2 %	97.0 %	35.0 %
5,102	78.8	3.0	65.0
$ 7,852	100.0 %	100.0 %	100.0 %
$ 1,000	34.7 %	26.4 %	12.7 %
	232.5		
5,922	18.6	89.0	75.4
$ 6,922	285.8 %	115.4 %	88.1 %
$ 930	(185.8) %	(15.4) %	11.9 %
$			
$ - 0 -			
$ 930			
$ 930			
90			
88			

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

District Mailing Address - Kaufman County Municipal Utility District No. 9
c/o Coats Rose, P.C.
16000 North Dallas Parkway, Suite 350
Dallas, TX 75248

District Telephone Number - (972) 788-1600

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2025	Expense Reimbursements for the year ended September 30, 2025	Title
John E. Hughes, Jr.	05/24 05/28 (Elected)	$ 1,547	$ 29	President
William Miranda	05/22 05/26 (Elected)	$ 1,768	$ 44	Vice President
David Snow	05/22 05/26 (Elected)	$ 1,768	$ 44	Secretary
Hailey Webber	05/24 05/28 (Elected)	$ 884	$ -0-	Assistant Secretary
Randi Rivera	05/24 05/28 (Elected)	$ 1,547	$ 88	Assistant Secretary

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

The most recent submission date of the District Registration Form was on June 17, 2025.

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

See accompanying independent auditor's report.

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 9
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Consultants:	Date Hired	Fees for the year ended September 30, 2025	Title
Coats Rose, P.C.	03/07/05	$ 48,137	General Counsel
		$ 233,664	Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	02/05/24	$ 12,000	Auditor
		$ 20,000	Bond Related
L & S District Services, LLC	05/05/15	$ 17,671	Bookkeeper/
Debra Loggins		$ -0-	Investment Officer
LJA Engineering, Inc.	11/17/21	$ 59,344	Engineer
Robert W. Baird	05/05/16	$ 207,869	Financial Advisor
Inframark, LLC	03/01/22	$ 495,601	Operator

See accompanying independent auditor's report.