OFFICIAL STATEMENT DATED OCTOBER 27, 2026

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING LAW AND IS NOT 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 THE OPINION OF BOND COUNSEL.

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

NEW ISSUE – Book Entry Only

S&P Global Ratings (BAM Insured) ..... "AA."
Moody's Ratings (Underlying) ..... "A3."

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

(A Political Subdivision of the State of Texas Located in Hays County and Travis County)

$2,240,000
Unlimited Tax Park Bonds
Series 2026

Dated: November 1, 2026
Interest Accrues From: Date of Delivery

Due: September 1, as shown on inside cover

The $2,240,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds"), are obligations of Sunfield Municipal Utility District No. 1 (the "District") and are not obligations of the State of Texas; Hays County, Texas; Travis County, Texas; the City of Buda, Texas; or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Hays County, Texas; Travis County, Texas; the City of Buda, 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. The Bonds are dated November 1, 2026 (the "Dated Date"), and interest accrues from the date of delivery (on or about November 30, 2026) (the "Date of Delivery"). Interest on the Bonds 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 denominations of $5,000 of principal or any integral multiple thereof in fully registered form only.

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

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



The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. Investment in the Bonds is subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

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 Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Dallas, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about November 30, 2026. See "LEGAL MATTERS."

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

$2,240,000 Unlimited Tax Park Bonds, Series 2026

$1,255,000 Serial Bonds

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 867343 (b)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 867343 (b)
2028	$ 45,000	6.500%	3.400%	QX6	2037 (c)	$ 75,000	5.000%	4.300%	RG2
2029	50,000	6.500%	3.500%	QY4	2038 (c)	75,000	5.000%	4.400%	RH0
2030	50,000	6.500%	3.600%	QZ1	2039 (c)	80,000	5.000%	4.500%	RJ6
2031	55,000	6.500%	3.700%	RA5	****	****	****	****	****
2032 (c)	55,000	6.500%	3.800%	RB3	2047 (c)	120,000	5.000%	5.000%	RS6
2033 (c)	60,000	6.375%	3.900%	RC1	2048 (c)	125,000	5.000%	5.010%	RT4
2034 (c)	65,000	5.000%	4.000%	RD9	2049 (c)	130,000	5.000%	5.020%	RU1
2035 (c)	65,000	5.000%	4.100%	RE7	2050 (c)	135,000	5.000%	5.030%	RV9
2036 (c)	70,000	5.000%	4.200%	RF4					

$985,000 Term Bonds

$370,000 Term Bond Due September 1, 2043 (c)(d), Interest Rate: 5.000% (Price: $100.833) (a), CUSIP No. 867343 RN7 (b)

$320,000 Term Bond Due September 1, 2046 (c)(d), Interest Rate: 5.000% (Price: $100.201) (a), CUSIP No. 867343 RR8 (b)

$295,000 Term Bond Due September 1, 2052 (c)(d), Interest Rate: 4.000% (Price: $83.691) (a), CUSIP No. 867343 RX5 (b)

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

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds. None of the District, Financial Advisor (herein defined) or Initial Purchaser shall be responsible for the selection or the correctness of the CUSIP numbers.

(c) The Bonds maturing on and after September 1, 2032, are subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on September 1, 2031, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption as provided under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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, resolutions, contracts, audits, and engineering and other related reports set forth in the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Coats Rose, P.C., 16000 North Dallas Parkway, Suite 350, Dallas, Texas 75248, Bond Counsel to the District.

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.

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

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 "SOURCES OF INFORMATION – Updating the Official Statement" and "CONTINUING DISCLOSURE OF INFORMATION."

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

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APPENDIX A Financial Statements of the District

APPENDIX B Specimen Municipal Bond Insurance Policy

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by Robert W. Baird & Co., Inc., (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the inside cover page of this Official Statement, at a price of 97.000000% of the principal amount thereof, which resulted in a net effective interest rate of 5.035697%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Other than as described in the Official Notices of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial 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 SEC under the Securities Act of 1933, as amended, in reliance upon 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 acts 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.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

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

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

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

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

Additional Information Available from BAM

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

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering

that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

RATINGS

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

Moody's Ratings ("Moody's") has assigned an underlying credit rating of "A3" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgement, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings of S&P and Moody's.

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OFFICIAL STATEMENT SUMMARY

The following material 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 Issuer	Sunfield Municipal Utility District No. 1 (the "District"), a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the "TCEQ") as Winfield Municipal Utility District No. 1 of Hays and Travis Counties on June 27, 2005, and by subsequent order of the TCEQ on April 10, 2006, the name of the District was changed to Sunfield Municipal Utility District No. 1. The District is located partially within the limited purpose corporate limits and wholly in the extraterritorial jurisdiction of the City of Buda, Texas, in Hays County, Texas, and Travis County, Texas, approximately 15 miles south of the City of Austin, Texas. The District is part of the approximately 2,790-acre, master-planned community known as "Sunfield." See "THE DISTRICT."
The Issue	The District is issuing $2,240,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds"). The Bonds mature on September 1 in each of the years and in the amounts shown on the inside cover page hereof. The Bonds are dated November 1, 2026 (the "Dated Date"), and interest accrues from the date of delivery (on or about November 30, 2026) (the "Date of Delivery"), and is payable March 1, 2027, and on each September 1 and March 1 thereafter until maturity or prior redemption.
Redemption Provisions	The Bonds maturing on and after September 1, 2032, are subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on September 1, 2031, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*." The Bonds maturing on September 1, 2028, through September 1, 2039, both inclusive, and on September 1, 2047, through September 1, 2050, both inclusive, are serial bonds. The Bonds maturing on September 1 in the years 2043, 2046, and 2052 are term bonds and are subject to certain mandatory redemption provisions as set forth herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
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"), in accordance with the Book-Entry-Only System (herein defined). 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, 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 authorized by an order adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); the Texas Constitution, particularly Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; an order issued by the TCEQ; and an election held within the District, as referenced below. At elections held within the District on May 12, 2007, and September 22, 2007, voters of the District authorized the District's issuance: of an aggregate $48,990,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, acquiring, and maintaining water distribution, wastewater collection and storm water drainage facilities serving the District (the "Utility System"); $21,660,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, acquiring, and maintaining a road system serving the District (the "Road System"); and $5,995,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, acquiring, and maintaining parks and recreational improvements serving the District (the "Park System"). The Bonds represent the District's first series of bonds to be issued from such voted authorization, and, after issuance of the Bonds, $3,755,000 principal amount of such voted authorization for the Park System 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; Hays County, Texas; Travis County, Texas; the City of Buda, Texas; or any entity other than the District. See "THE BONDS – Source of Payment."
Outstanding Bonds	The District has previously issued six (6) series of bonds for the purpose of purchasing, constructing, acquiring, and maintaining the Utility System, eight (8) series of bonds for the purpose of purchasing, constructing, acquiring, and maintaining the Road System, three (3) series of bonds for the purpose of refunding bonds issued by the District for the Road System, aggregating seventeen (17) series of bonds supported by the proceeds of a continuing, direct ad valorem tax, unlimited as to rate or amount, levied annually by the District upon taxable property located within the entirety of the District. Of such series of bonds issued for the Utility System by the District, $32,445,000 remains outstanding (the "Outstanding Utility Bonds") and $14,605,000 of previously issued bonds for the Road System by the District, remains outstanding (the "Outstanding Road Bonds," and together with the Outstanding Utility Bonds, the "Outstanding Bonds"), as of Date of Delivery. See "THE BONDS – Outstanding Bonds."
Payment Record	The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.

Use of Bond Proceeds	Proceeds from the sale of the Bonds will be used to reimburse the Developer (herein defined) for expenditures associated with the costs of the projects set out herein under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds of the Bonds will also be used to pay developer interest and costs of issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds."
Qualified Tax-Exempt Obligations	The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and will represent that the total amount of tax-exempt bonds (including the Bonds) issued by the District during calendar year 2026 is not reasonably expected to exceed $10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations."
Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." Moody's Ratings (Underlying): "A3." See "RATINGS."
Bond Counsel	Coats Rose, P.C., Bond Counsel, Dallas, Texas. See "LEGAL MATTERS."
Disclosure Counsel	The Muller Law Group, PLLC, Sugar Land, Texas
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
Paying Agent/Registrar	Zions Bancorporation, National Association, Houston, Texas.

THE DISTRICT

Description	The District is a political subdivision of the State of Texas located partially within the limited purpose corporate limits and wholly in the extraterritorial jurisdiction of the City of Buda, Texas, in Hays and Travis Counties, Texas, approximately 15 miles south of the City of Austin, Texas. The District encompasses approximately 686 total acres of land, of which approximately 654 acres are located in Hays County, Texas, and approximately 32 acres are located in Travis County, Texas. The District is bordered on the north by Turnersville Road, on the south by Farm-to-Market Road 2001 and includes Firecracker Road. The District is located primarily in Hays Consolidated Independent School District although a small portion of undeveloped acreage within the District is in Austin Independent School District. See "THE DISTRICT."
Authority	The District is a 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 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, pursuant to Texas Special District Local Laws Code, Chapter 8200, the District is authorized to construct, acquire, improve, maintain, and operate roads located within or outside its boundaries. See "THE DISTRICT – General."

Development Within the District ..... The District contains approximately 686 total acres of land. To date, approximately 820 single-family lots have been developed within the District in the following residential subdivisions: Sunfield, Phase 1, Sections 1, 2, 5, and 6 and Phase 2, Sections 3, 4 and 11. Such subdivisions encompass approximately 229 total acres. As of June 30, 2026, single-family residential development within the District included approximately 820 completed homes (820 occupied, 0 unoccupied, and 0 model homes), approximately 0 homes under construction, and approximately 0 vacant, developed lots.

The remaining land in the District consists of approximately 334 multi-family and commercial acres, 36 undeveloped but developable acres, 77 acres of District and County road and drainage facilities, and approximately 9 undevelopable acres. See "DEVELOPMENT STATUS OF THE DISTRICT" and "SUNFIELD."

Sunfield ..... The District is part of the approximately 2,790-acre, master-planned community known as "Sunfield." Sunfield is located along the Interstate 35 corridor and includes amenities such as a junior Olympic lap pool, two Lazy River amenity centers, pavilion, community gardens, playgrounds, splash pool, dog park, fishing ponds, and hike and bike trails.

Sunfield is made up of the District (or "SMUD No. 1") and three other municipal utility districts: Sunfield Municipal Utility District No. 2 ("SMUD No. 2"), Sunfield Municipal Utility District No. 3 ("SMUD No. 3"), and Sunfield Municipal Utility District No. 4 (which is referred to herein as "SMUD No. 4" in its capacity as a Sunfield District or the "Master District" in its capacity as the Master District). See "SUNFIELD."

Status of Development within Sunfield ..... Currently, approximately 1,355 acres (5,017 lots) within Sunfield have been developed for single-family residential use. As of June 30, 2026, there were approximately 4,150 total complete homes (approximately 4,109 occupied, 32 unoccupied, and 9 model homes), approximately 132 homes are under construction, and approximately 735 vacant developed lots. Sunfield also includes approximately 397.90 acres developed for retail industrial, multi-family, commercial, and recreational uses, approximately 772.77 undeveloped but developable acres, approximately 282.90 acres of land developed for districts and county, and approximately 70.39 undevelopable acres.

Current commercial development within SMUD No. 1 and SMUD No. 3 consists of: US Foods Inc., a regional food servicing distribution operator for restaurants, hospital facilities, governmental operations and educational institutions, purchased a 40.17-acre site on 2010 on which it has constructed a 277,000 square foot office, dry food storage, and freezer food storage facility and a 10,000 square-foot maintenance facility. US Foods received a Texas Enterprise Fund grant of $1,072,500 in November of 2024 to expand their facility within the current site. US Foods anticipates creating 165 new jobs and investment more than $120 million in capital investment for the expansion; Tractor Supply Company, a retail farm and ranch store chain, purchased approximately 3.82 acres on which it has constructed a 19,100 square foot retail store; Burger King: on 0.801 acres; a national franchised fast food chain restaurant; Studio

6 Hotel, on 1.40 acres operates a hotel across the street from Baylor Scott and White Hospital; Health Center Commercial Building, a 2.5-acre 20,000 square foot multi-tenant medical office building with Ascension Seton and Dell Children's Medical Group as major tenants; Baylor Scott and White Hospital Group, purchased 19.60 acres for the construction of a hospital and retail facility estimated investment value of at least $35 million in land, buildings, equipment, inventory and other improvements necessary for a full medical facility. The hospital opened for operations in October of 2019 and includes a full-service emergency department, medical office space, retail pads, operating rooms, imaging, and other facilities; Exeter Property Group (Industrial), owned under the name of Exeter Buda Land LP, purchased 36.78 acres and developed 300,000 square feet of industrial space that has been leased to Amazon. The second phase of this industrial space has been updated to a distribution logistics vehicle lot that will handle the food to go portion of the business line. Exeter Property Group owns another 6.341 acres within the District and has completed construction on a 181,829 square foot front load warehouse; Sunfield Station Athletic Complex, purchased 8 acres in April of 2018 and constructed a 30,000 square foot indoor multi-use sports complex and associated sports retail center with an estimated 60,000 square feet of building/retail space. Construction of Sunfield Station was completed in 2019. The complex primarily focuses on indoor volleyball but also includes basketball and other sports. The project estimates that each tournament at the facility will bring up to 1,500 visitors to the City of Buda, Texas, with that number estimated to increase as tournaments grow in size and frequency. Long-range projections indicate the annual visitor count to the facility could exceed 40,000; SNKS Convenience Store, a gas station and convenience store site consisting of 1.40 acres was sold and is located at the corner of Main Street and Campo Del Sol. The store has opened as Buddies market Sunfield and includes various convenience store products as well as beer and wine sales and gas facilities. Kiddie Academy Educational Learning Center (Daycare), a 2.16-acre site to the west of Sunfield Station on Main Street was purchased by Buda Enterprise Phase 1, LLC which operates a national franchise known as Kiddie Academy Educational Learning Center. This day care center opened in 2020; a 16.5-acre site was donated to Hays Consolidated Independent School District for an elementary school site. Construction of Sunfield Elementary finished in August 2022 and opened for the 2022-2033 school year; AMP CNG, purchased 1.733 acres and constructed a high-pressure liquified natural gas station that fuels all of the U.S. Foods transportation vehicles as well as other LNG clients; Tuscany Apartments is a multi-family development that includes 196 units on 13 acres, which historically is 90-98% leased; Huntington Apartments, which purchased 5.81 acres in 2009, consists of 120 units of senior living apartments. These units are historically 90-100% leased; Ryze at Sunfield (originally the Royalton) was constructed on approximately 16.59 acres in Sunfield. The complex includes 300 units and was completed in 2021. In 2020, Buda School Development LLC purchased 10 acres and opened a charter school to include Kindergarten through 8th grade initially with plans to grow through High School. The charter school opened for the 2022-

2023 school year; Cavender Real Estate of Hays County, LLC purchased approximately 17 acres of I-35 frontage within the District and constructed a Subaru dealership on site. The site includes a two- story sales and service center, a car wash, a turfed park area, and a dog park. The dealership opened in the fourth quarter of 2023; United Properties Development LLC ("United") purchased approximately 79 acres within the District in a two-part closing in June 2021 and June 2022. United constructed three industrial buildings on the Phase 1 site, which include approximately 474,840 square feet of space. United also completed construction on an additional four industrial buildings on the Phase 2 site, which includes approximately 382,202 square feet of space. Slate Real Estate Partners purchased approximately 10 acres from United and constructed a multi-family site with 259 total units, which has opened and is operating as Junewood Apartment Homes. Group 1 purchased approximately 17 acres of I-35 frontage for a future KIA dealership; the Developer recently completed drainage and site improvements. The remaining commercial acreage in Sunfield is made up of approximately 111 acres which include developed commercial pads, commercial, retail, and light industrial land, as well as multi-family land. See "SUNFIELD."

Developer/Principal Landowners ..... The previous developer of land within the District was 2428 SF PH 1 LLC, a Texas limited liability company (the "Previous Developer"), which is wholly owned by 2428 Partners, LLC. 2428 Partners, LLC is comprised of 2428 Management, LLC, general partner, and IHP Fund III, LLC, limited partner. The principal developer of land within the District is Sunfield Development LLC (the "Developer"), which purchased land from the Previous Developer on December 31, 2020. The Developer sold approximately 95 acres to Pulte Homes of Texas, LP ("Pulte") and Taylor Morrison of Texas, Inc. ("Taylor Morrison"), which encompasses Phases 6.1A, 6.1B, 6.1C, 6.2A, and 6.2B in SMUD No. 4. The sale included a development agreement whereby the Developer is obligated to construct lot improvements and deliver lots to Pulte and Taylor Morrison. Development of such lots is complete and homebuilding is underway. Sunfield Development LLC is comprised of VP Sunfield Holdings LLC and IHP SF Investments LLC. Sunfield Investments LLC is an additional landowner within the District which owns land that is planned for future commercial, industrial and multi-family uses. Sunfield Investments LLC is comprised of VP Sunfield Holdings LLS and IHP SF Investments LLC. The District is managed by Scarborough Services LLC, a third-party management company controlled by James R. Feagin and Ryan Burkhardt. The Developer and its related entities currently own approximately 37 acres in the District, as well as approximately 860 acres in the remainder of Sunfield.

Regional Facilities ..... The Master District (SMUD No. 4) is the municipal utility district that has contracted with the District and the other Sunfield Districts to extend regional water, sanitary sewer, and drainage facilities to Sunfield (collectively, the "Master District Facilities"). By execution of the "Contract for Financing, Operation of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities" (the "Master District Contract"), SMUD No. 4, SMUD No. 3, and the District (SMUD No. 4, SMUD No. 3, and the

District being referred to herein individually as a "Financing Participant" or "Sunfield MUD" and collectively as the "Financing Participants" or "the Sunfield Districts") are obligated to pay a pro rata share of debt service on bonds issued by the Master District to finance the Master District Facilities (the "Contract Revenue Bonds") based upon the certified assessed valuation of each Financing Participant. Each Financing Participant, including the District, is obligated to pay its pro rata share of debt service on the Contract Revenue Bonds from the proceeds of ad valorem taxes levied by such district for such purpose (the "Contract Tax") or from any other lawful source of district income. The Master District has issued five (5) series of Contract Revenue Bonds: $17,200,000 Unlimited Tax Contract Revenue Bonds, Series 2022; $22,750,000 Unlimited Tax Contract Revenue Bonds, Series 2023; $13,920,000 Unlimited Tax Contract Revenue Bonds, Series 2024; $8,085,000 Unlimited Tax Contract Revenue Bonds, Series 2024A; and $6,940,000 Unlimited Contract Tax Revenue Bonds, Series 2025. The District lies within areas certificated to Goforth Special Utility District ("Goforth SUD") for the provision of retail water service which it does pursuant to agreements between Goforth SUD, the District, SMUD No. 4, and SMUD No. 3. See "THE SYSTEM."

Agreements with GBRA ..... Wholesale water is provided to Sunfield by the Guadalupe-Blanco River Authority ("GBRA"). GBRA currently provides wholesale water supply to the Master District. See "THE SYSTEM." Pursuant to such agreement, GBRA currently provides wholesale water supply to the Sunfield community. See "THE SYSTEM." GBRA is a regional provider of wholesale and retail water and wastewater services for areas located south of the City of Austin, Texas. Water trunklines connecting the existing development within Sunfield to the GBRA waterlines have been constructed with monies advanced by the Developer. In 2004, the GBRA sold bonds and constructed a water line to the vicinity of Sunfield to serve then-projected full development of the Sunfield Districts and other customers located in the vicinity of Sunfield. Each entity entitled to receive water service through such line is obligated to pay a portion of the debt service on such bonds. SMUD No. 4, in its capacity as the Master District, was obligated to pay approximately 34% of the debt service on such line. In addition to a pro-rata share of the debt service, the Master District is required to pay an annual water reservation fee. The Master District's annual water reservation fee and pro-rata share of debt service allocated to Sunfield are collectively referred to herein as the "GBRA Payment."

Effective February 15, 2012, the Sunfield Districts entered into an amended and restated non-standard water utility service agreement, as subsequently amended, with Goforth Special Utility District ("Goforth SUD") pursuant to which Goforth SUD will be the retail water provider and will have the obligation to make a portion of the GBRA Payment for each permanent connection in Sunfield assumed by Goforth SUD and the Assignment and Assumption Agreement by and among GoForth SUD and Sunfield Municipal Utility Districts Nos. 1, 3 and 4, Goforth SUD contracted for the early transfer of a total of 4,000,000 gallons per day ("gpd") of water and assumed the obligation to make the GBRA Payments for such total 4,000,000 gpd of water (the "Original Allocation").

Effective August 22, 2023, the Sunfield Districts executed an amendment to the amended and restated non-standard water utility service agreement with Goforth SUD pursuant to which Goforth SUD agreed to provide retail water service sufficient to serve an additional 2,665 LUEs within the Sunfield Districts (the "Additional Capacity"). The Developer (Sunfield Development LLC) joined the agreement to satisfy the agreed upon reserve water charges and impact fees related to the Additional Capacity contemplated within the amendment. The Sunfield Districts have no payment obligations under the amendment, however, it is intended that the Master District will issue bonds to reimburse Sunfield Development LLC for such reserve water charges and impact fees paid by Sunfield Development LLC related to the Additional Capacity. See "THE SYSTEM" and "INVESTMENT CONSIDERATIONS."

INVESTMENT CONSIDERATIONS

INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY REVIEW THIS ENTIRE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS," BEFORE MAKING AN INVESTMENT DECISION.

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SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Taxable Assessed Valuation	$	656,716,639	(a)
Direct Debt:			
The Outstanding Bonds (as of the Date of Delivery)	$	47,050,000	
The Bonds	$	2,240,000	
Total	$	49,290,000	
Estimated Overlapping Debt	$	92,745,050	(b)
Total Direct and Estimated Overlapping Debt	$	142,035,050	
Direct Debt Ratios:			
Based on 2026 Taxable Assessed Valuation		7.51	%
Direct and Estimated Overlapping Debt Ratios:			
Based on 2026 Taxable Assessed Valuation		21.63	%
Road System Debt Service Fund Balance (as of August 13, 2026)	$	2,248,443	(c)
Utility System Debt Service Fund Balance (as of August 13, 2026)	$	3,588,605	(d)
Road System Capital Projects Fund Balance (as of August 13, 2026)	$	139,482	
Utility System Capital Projects Fund Balance (as of August 13, 2026)	$	946,752	
Operating Fund Balance (as of August 13, 2026)	$	2,318,216	
2026 Tax Rate			
Road System Debt Service		$0.1900	
Utility System Debt Service		$0.3450	
Maintenance & Operation		$0.1075	
Contract		$0.2275	
Total		$0.8700	
Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052)	$	2,067,253	(e)
Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042)	$	2,374,869	(e)
Utility Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.34	
Utility Tax Debt Service Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.39	
Average Annual Debt Service Requirement on the Outstanding Road Bonds (2027–2043)	$	1,133,037	(f)
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2038)	$	1,361,081	(f)
Road Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Road Bonds (2027–2043) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.19	
Road Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2038) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.22	

Combined Average Annual Debt Service Requirement (2027–2052)	$	2,808,085	
Combined Maximum Annual Debt Service Requirement (2038)	$	3,712,638	
Combined Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement (2027–2052) at 95% Tax Collections Based on 2026 Taxable Assessed Valuation	$	0.46	
Combined Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement (2038) at 95% Tax Collections Based on 2026 Taxable Assessed Valuation	$	0.60	
Single-Family Homes as of June 30, 2026		820	(g)

(a) Represents the taxable amount of assessed valuation as of January 1, 2026, of taxable property in the District within Hays County, as provided by the Hays Central Appraisal District and within Travis County, as provided by the Travis County Appraisal District. Such amount includes $15,527,315 of assessed valuation assigned to properties that remain under review by the Hays Central Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Hays Central Appraisal Review Board. See "TAXING PROCEDURES" and "TAX DATA."

(b) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."

(c) Neither Texas law nor the bond order requires that the District maintain any particular sum in the Road System Debt Service Fund (herein defined). 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 (herein defined) or the Park System (herein defined), such as the Bonds.

(d) Neither Texas law nor the Bond Order (herein defined) requires that the District maintain any particular sum in the Utility System Debt Service Fund (herein defined). Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System (herein defined).

(e) See "DISTRICT DEBT – Utility Debt Service Requirements."

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

(g) Includes approximately 820 completed single-family homes plus 0 homes under construction within the District as of June 30, 2026.

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Sunfield Municipal Utility District No. 1 (the "District"), of its $2,240,000 Unlimited Tax Park Bonds, Series 2026 (the "Bonds").

The Bonds are authorized by an order adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); the Texas Constitution, particularly Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; an order issued by the Texas Commission on Environmental Quality (the "TCEQ"); and an election held within the District on May 12, 2007.

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 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. Copies of such documents may be obtained from the District at Coats Rose, P.C., 16000 North Dallas Parkway, Suite 350, Dallas, Texas 75248 upon payment of reasonable copying and distribution charges.

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 (the "Dated Date"), and mature on September 1 of the years and in principal amounts, and will bear interest from the date of delivery (on or about November 30, 2026) (the "Date of Delivery"), at the rates per annum, as 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 maturing on or after September 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at the par value thereof. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a particular maturity are redeemed, the Paying Agent/Registrar (defined below) shall select the particular Bonds to be redeemed by random selection method.

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" below.

Record Date for Interest Payment

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

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

Registered Owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the book-entry-only system for the Bonds (the "Book-Entry-Only System") has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor (herein defined) believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District and the Financial Advisor cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to Direct and Indirect Participants (herein defined), (2) Direct and Indirect 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 Registered 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 (the "SEC"), and the current procedures of DTC to be followed in dealing with Direct and Indirect 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 of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Paying Agent/Registrar

The Board has selected Zions Bancorporation, National Association, Houston, Texas, as the initial Paying Agent/Registrar for the Bonds. The initial designated payment office for the Bonds is located in Houston, Texas. Provision is made in the Bond Order for removal of the Paying Agent/Registrar, provided that no such removal shall be effective until a successor paying agent/registrar shall have accepted the duties of the Paying Agent/Registrar under the provisions of the Bond Order. Any successor paying agent/registrar selected by the District shall be a national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state authority to act as paying agent for the Bonds.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of the Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal

amount as the Bond or Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is 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 Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The District may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authority for Issuance

The Bonds are authorized by the Bond Order; the Texas Constitution, particularly Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; an order issued by the TCEQ; and an election held within the District on May 12, 2007. At an election held within the District on May 12, 2007, voters of the District authorized the District's issuance of an aggregate $5,995,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, acquiring, and maintaining parks and recreational improvements serving the District (the "Park System").

The Bonds represent the District's first series of bonds to be issued from such voted authorization, and, after the issuance of the Bonds, $3,755,000 principal amount of such voted authorization will remain authorized but unissued. 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	Authorized But Unissued
05/12/2007	Water, Sewer, and Drainage	$ 48,990,000	$ 36,850,000	$ 12,140,000
05/12/2007	Water, Sewer, and Drainage Refunding	$ 73,485,000	$ –	$ 73,485,000
09/22/2007	Road	$ 21,660,000	$ 21,660,000	$ –
09/22/2007	Road Refunding	$ 32,490,000	$ 10,180,000	$ 22,310,000
05/12/2007	Parks & Recreation	$ 5,995,000	$ 2,240,000 (a)	$ 3,755,000

(a) The Bonds.

Outstanding Bonds

The District has previously issued six (6) series of bonds for the purpose of purchasing, constructing, acquiring, and maintaining water distribution, wastewater collection and storm water drainage facilities serving the District (the "Utility System"), eight (8) series of bonds for the purpose of purchasing, constructing, acquiring, and maintaining a road system serving the District (the "Road System"), three (3) series of bonds for the purpose of refunding bonds issued by the District for the Road System, aggregating seventeen (17) series of bonds supported by the proceeds of a continuing, direct ad valorem tax, unlimited as to rate or amount, levied annually by the District upon taxable property located within the entirety of the District. Of such series of bonds issued for the Utility System by the District, $32,445,000 remains outstanding (the "Outstanding Utility Bonds") and $14,605,000 of previously issued bonds for the Road System by the District, remains outstanding (the "Outstanding Road Bonds," and together with the Outstanding Utility Bonds, the "Outstanding Bonds"), as of Date of Delivery.

Approval of the Bonds

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of the Bonds and 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, without legal limitation as to rate or amount, levied against 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.

Taxes collected through the Road System debt service tax rate will be deposited in the District's Road System Debt Service Fund and used to pay principal of and interest on the Outstanding Road Bonds and on any of the District's duly authorized Road System bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes. Taxes collected through the Utility System debt service tax rate will be deposited in the District's Utility System Debt Service Fund

and used to pay principal of and interest on the Bonds and the Utility System bonds payable from taxes issued by the District. Funds on deposit in the Utility System Debt Service Fund are not available to pay debt service on the Outstanding Road Bonds.

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2032, shall be subject to redemption at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at the par value thereof, plus accrued interest to the date fixed for redemption. 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.

Mandatory Redemption

The Bonds maturing on September 1 in the years 2043, 2046, and 2052 are term bonds (the "Term Bonds") that shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on September 1 in each of the years and in the principal amounts set forth in the following schedule:

$370,000 Term Bonds Maturing on September 1, 2043

Mandatory Redemption Date	Principal Amount
September 1, 2040	$ 85,000
September 1, 2041	$ 90,000
September 1, 2042	$ 95,000
September 1, 2043 (Maturity)	$ 100,000

$320,000 Term Bonds Maturing on September 1, 2046

Mandatory Redemption Date	Principal Amount
September 1, 2044	$ 100,000
September 1, 2045	$ 105,000
September 1, 2046 (Maturity)	$ 115,000

$295,000 Term Bonds Maturing on September 1, 2052

Mandatory Redemption Date	Principal Amount
September 1, 2051	$ 145,000
September 1, 2052 (Maturity)	$ 150,000

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

Annexation

The District lies partially within the limited purpose corporate limits and wholly within the extraterritorial jurisdiction of the City of Buda, Texas (the "City") and may be annexed by the City under certain circumstances. Under general law, with certain exceptions, annexation of land by the City is subject to three procedures that allow for annexation: (i) on request of a landowner; (ii) for areas with a population of less than 200, by petition of voters and, if voter petitioners do not own more

than 50% of the land in the area, by petition of a majority of the property owners in the area; or (iii) for areas with a population of 200 or more, by election of voters and, if voters do not own more than 50% of the land in the area, by petition of a majority of the property owners in the area. However, the foregoing provisions do not apply to areas that are subject to a Strategic Partnership Agreement under Section 43.0751, Texas Local Government Code.

The District and the City have previously entered into a Strategic Partnership Agreement, effective September 19, 2006 ("SPA"). Under the SPA, the City agreed to annex the property in the District for certain limited purposes, as provided under Sections 43.0751, Texas Local Government Code, and agreed not to annex the property in the District for full purposes until the earlier of (i) September 19, 2036, or (ii) upon completion and issuance of District bonds for 90% of utility infrastructure by the District.

If area within the District is annexed, under the terms of the SPA, the City must assume the District's assets and obligations (including any outstanding bonds) and dissolve the District within 90 days of annexation. Annexation of property by the City is a policy-making matter within the discretion of the governing body of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Consolidation

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

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

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

Issuance of Additional Debt

The District intends to issue additional bonds from its voted authorization. The District's voters have authorized a total of $48,990,000 principal amount of unlimited tax bonds for purchasing, constructing, acquiring, and maintaining the Utility System; $73,485,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of purchasing, acquiring, and maintaining the Utility System; $21,660,000 principal amount of unlimited tax bonds for purchasing, constructing, acquiring, and maintaining the Road System; $32,490,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of purchasing, constructing, acquiring, and maintaining the Road System; $5,995,000 of unlimited tax bonds for purchasing, constructing, acquiring and maintaining the Park System.

The Bonds are the first series of unlimited tax bonds to be issued by the District for the purpose of purchasing, constructing, acquiring, and maintaining the Park System. Following the issuance of the Bonds, the following principal amounts will remain authorized but unissued: $12,140,000 for the purpose of purpose of a purchasing, constructing, acquiring and maintaining the Utility System; no principal amount for the purpose of purchasing, constructing, acquiring and maintaining the Road System; $3,755,000 for the purpose of purpose of purchasing, constructing, acquiring and maintaining the Park System; and $22,310,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of purchasing, constructing, acquiring and maintaining the Road System. See "THE BONDS – Authority for Issuance."

Any bonds issued by the District must be approved by the Attorney General of Texas. At this time, the TCEQ does not exercise jurisdiction in approving bonds to finance the acquisition or construction of roads and roadway improvements. TCEQ approval is necessary, however, for the issuance of bonds to finance the acquisition or construction of the Utility System as well as recreational facilities in the District. See "THE DISTRICT – General."

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

No Arbitrage

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

Registered Owners' Remedies

Pursuant to Texas law, the Bond Order provides that, in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order into the Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions, or obligations set forth in the Bond Order, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District to make such payments or to observe and perform such covenants, obligations, or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of Texas.

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Order does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further 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. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

Bankruptcy Limitation to Registered Owners' Rights

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

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

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.

Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developer for expenditures associated with the costs of the projects set out below. Additionally, proceeds of the sale of the Bonds will be used to pay developer interest and other costs associated with the issuance of the Bonds.

		Amount
Construction Costs		
A. Developer Contribution Items		
1. Sunfield Landscape and Monumentation	$	595,525
2. Sunfield Streetscape and Monumentation		439,353
3. Sunfield Neighborhood Parks Phase 1 and 2		387,477
4. Miscellaneous Engineering, Geotechnical, and Permitting for Item No. 2		137,273
Total Developer Contribution Items	$	1,559,628
B. District Items		
1. None	$	–
Total District Items	$	–
TOTAL CONSTRUCTION COSTS (69.63% of BIR)	$	1,559,628
Non-Construction Costs		
A. Legal Fees	$	67,200
B. Fiscal Agent Fees		44,800
C. Developer Interest		389,907
D. Bond Discount		67,200
E. Bond Issuance Expenses		53,425
F. Bond Application Report Costs		50,000
G. Attorney General Fee (0.10% or $9,500 max)		2,240
H. TCEQ Bond Issuance Fee (0.25%)		5,600
Total Non-Construction Costs	$	680,372
Total Bond Issue Requirement	**$**	**2,240,000**

The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued.

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

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DISTRICT DEBT

General

2026 Taxable Assessed Valuation	$	656,716,639	(a)
Direct Debt:			
The Outstanding Bonds (as of the Date of Delivery)	$	47,050,000	
The Bonds	$	2,240,000	
Total	$	49,290,000	
Estimated Overlapping Debt	$	92,745,050	(b)
Total Direct and Estimated Overlapping Debt	$	142,035,050	
Direct Debt Ratios:			
Based on 2026 Taxable Assessed Valuation		7.51	%
Direct and Estimated Overlapping Debt Ratios:			
Based on 2026 Taxable Assessed Valuation		21.63	%
Road System Debt Service Fund Balance (as of August 13, 2026)	$	2,248,443	(c)
Utility System Debt Service Fund Balance (as of August 13, 2026)	$	3,588,605	(d)
Road System Capital Projects Fund Balance (as of August 13, 2026)	$	139,482	
Utility System Capital Projects Fund Balance (as of August 13, 2026)	$	946,752	
Operating Fund Balance (as of August 13, 2026)	$	2,318,216	
2026 Tax Rate			
Road System Debt Service		$0.1900	
Utility System Debt Service		$0.3450	
Maintenance & Operation		$0.1075	
Contract		$0.2275	
Total		$0.8700	
Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052)	$	2,067,253	(e)
Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042)	$	2,374,869	(e)
Utility Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.34	
Utility Tax Debt Service Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.39	
Average Annual Debt Service Requirement on the Outstanding Road Bonds (2027–2043)	$	1,133,037	(f)
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2038)	$	1,361,081	(f)
Road Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Road Bonds (2027–2043) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.19	
Road Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2038) at 95% Tax Collections			
Based on 2026 Taxable Assessed Valuation	$	0.22	

Combined Average Annual Debt Service Requirement (2027–2052)	$	2,808,085	
Combined Maximum Annual Debt Service Requirement (2038)	$	3,712,638	
Combined Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2027–2052) at 95% Tax Collections Based on 2026 Taxable Assessed Valuation	$	0.46	
Combined Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2038) at 95% Tax Collections Based on 2026 Taxable Assessed Valuation	$	0.60	
Single-Family Homes as of June 30, 2026		820	(g)

(a) Represents the taxable amount of assessed valuation as of January 1, 2026, of taxable property in the District within Hays County, as provided by the Hays Central Appraisal District and within Travis County, as provided by the Travis County Appraisal District. Such amount includes $15,527,315 of assessed valuation assigned to properties that remain under review by the Hays Central Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Hays Central Appraisal Review Board. See "TAXING PROCEDURES" and "TAX DATA."

(b) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."

(c) 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 or the Park System, such as the Bonds.

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued by the District for the Road System.

(e) See "– Utility Debt Service Requirements."

(f) See "– Road Debt Service Requirements."

(g) Includes approximately 820 completed single-family homes plus 0 homes under construction within the District as of June 30. 2026.

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt September 30, 2026	Estimated Overlapping Percent	Estimated Overlapping Amount
Hays County	$ 695,683,512	1.29%	$ 8,979,765
Hays Consolidated ISD	1,473,615,000	3.77%	55,501,296
Austin Community College District	728,710,000	0.79%	5,776,061
Sunfield MUD No. 4 (Master District)	64,685,000	34.77%	22,487,927
Total Estimated Overlapping Debt (a)			$ 92,745,050
The District			49,290,000 (b)
Total Direct & Estimated Overlapping Debt			$ 142,035,050

(a) A small portion of the District is located within Travis County, Texas. The value of taxable property within the District that is within these taxing jurisdictions represents less than 0.01% of the value of the taxing jurisdictions and does not have a material impact upon the District's debt burden.

(b) Includes the Bonds and the Outstanding Bonds. The Outstanding Bonds are calculated as of the Date of Delivery.

Debt Ratios

Direct Debt Ratios:	
Based on 2026 Taxable Assessed Valuation	7.51 %
Direct and Estimated Overlapping Debt Ratios:	
Based on 2026 Taxable Assessed Valuation	21.63 %

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Utility Debt Service Requirements

The following schedule sets forth the annual debt service requirements of the Outstanding Utility Bonds, the principal and interest requirements of the Bonds, and the combined annual debt service requirements of the Outstanding Utility Bonds and the Bonds. Totals may not sum due to rounding.

Calendar Year	Outstanding Utility System Debt Service (a)	Plus: The Bonds		Total Debt Service
		Principal	Interest	
2027	$ 2,138,831	–	$ 85,591	$ 2,224,422
2028	2,137,844	$ 45,000	113,700	2,296,544
2029	2,153,869	50,000	110,775	2,314,644
2030	2,153,694	50,000	107,525	2,311,219
2031	2,162,744	55,000	104,275	2,322,019
2032	2,161,131	55,000	100,700	2,316,831
2033	2,167,431	60,000	97,125	2,324,556
2034	2,177,056	65,000	93,300	2,335,356
2035	2,184,244	65,000	90,050	2,339,294
2036	2,184,231	70,000	86,800	2,341,031
2037	2,197,131	75,000	83,300	2,355,431
2038	2,197,006	75,000	79,550	2,351,556
2039	2,200,006	80,000	75,800	2,355,806
2040	2,206,769	85,000	71,800	2,363,569
2041	2,210,431	90,000	67,550	2,367,981
2042	2,216,819	95,000	63,050	2,374,869
2043	2,090,019	100,000	58,300	2,248,319
2044	2,095,019	100,000	53,300	2,248,319
2045	2,107,531	105,000	48,300	2,260,831
2046	2,118,106	115,000	43,050	2,276,156
2047	2,140,013	120,000	37,300	2,297,313
2048	2,151,563	125,000	31,300	2,307,863
2049	863,463	130,000	25,050	1,018,513
2050	869,994	135,000	18,550	1,023,544
2051	459,800	145,000	11,800	616,600
2052	–	150,000	6,000	156,000
Total	$ 49,744,744	$ 2,240,000	$ 1,763,841	$ 53,748,585

(a) Outstanding as of the Date of Delivery.

Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052).....$2,067,253

Maximum Annual Utility Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042).....$2,374,869

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Road Debt Service Schedule

The following schedule sets forth the annual debt service requirements of the Outstanding Road Bonds. Totals may not sum due to rounding.

Calendar Year	Outstanding Road System Debt Service (a)
2027	$ 1,295,460
2028	1,288,875
2029	1,291,200
2030	1,302,130
2031	1,306,180
2032	1,303,518
2033	1,309,681
2034	1,304,031
2035	1,317,031
2036	1,353,131
2037	1,355,181
2038	1,361,081
2039	695,731
2040	691,506
2041	691,806
2042	696,056
2043	699,031
Total	$ 19,261,631

(a) Outstanding as of the Date of Delivery.

Average Annual Debt Service Requirement on the Outstanding Road Bonds and the Road Bonds (2027–2043)	$ 1,133,037
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds and the Road Bonds (2038)	$ 1,361,081

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TAXING PROCEDURES

Set forth below is a summary of certain provisions of the Texas Tax Code (the "Tax Code") relating to the District's ability to levy and collect property taxes on property within the District. Provisions of the Tax Code are complex and are not fully summarized herein. Reference is made to the Tax Code for more complete information, including the identification of property subject to taxation; property exempt, or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and for the payment of certain contractual obligations. For the 2026 tax year, the District levied a total tax of $0.8700 per $100 of assessed valuation; this total tax is composed of a maintenance and operation tax of $0.1075 per $100 of assessed valuation, a utility debt service tax of $0.3450 per $100 of assessed valuation, a road debt service tax of $0.1900 per $100 of assessed valuation, and a contract tax of $0.2275 per $100 of assessed valuation.

Tax Code and County-Wide Appraisal District

The Tax Code specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Tax Code are complex and are not fully summarized herein. The 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 Hays Central Appraisal District and Travis Central Appraisal District (the "Appraisal Districts") have the responsibility of appraising property for all taxing units within Hays and Travis Counties, respectively, including the District. Such appraisal values will be subject to review and change by the Hays County Appraisal Review Board and Travis County Appraisal Review Board (the "Appraisal Review Boards"). The appraisal roll, as approved by the Appraisal Review Boards, will be used by the District in establishing its tax rolls and tax rate.

The 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 appraisers 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 Boards 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 Boards, 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 Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The Appraisal Districts are governed by boards 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 Districts. The 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 Districts at least once every three years. It is not known what frequency of future reappraisals will be utilized by the Appraisal Districts 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 of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000, if any exemption is granted, from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The District has never adopted a general homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes, or used to repair or maintain aircraft of a certified air carrier, and shipped out of the state within one hundred seventy-five (175) days. Freeport goods are exempt from taxation by the District. Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax year 2016 and prior applicable years, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory. For tax year 2016 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. The District has taken action to tax Goods-in-Transit. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

Hays County or Travis County may designate all or part of the area within the District as a reinvestment zone. Thereafter, either Hays Consolidated Independent School District or the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax

abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing 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 Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

The 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 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 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 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, open space land, and timberland.

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

The Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the 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 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.

Tax Payment Installations after Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Additionally, the Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property as been damaged as a direct result of the disaster or emergency.

Notice and Hearing Procedures

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

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Low Tax Rate 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 "Other 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 can not be reduced by a rollback election held within any of the districts described below.

Low Tax Rate Districts

Low Tax Rate 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 Low Tax Rate 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 Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Other Districts

Districts that do not meet the classification of a Low Tax Rate District or a Developed District are classified as Other Districts. The qualified voters of these districts, upon the Other District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, 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 Other 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 Low Tax Rate District, Developed District or Other District will be made on an annual basis. For the 2026 tax year, the Board of Directors has determined that the District's classification is that of an Other District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new rollback election calculation.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Boards 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 Districts to compel compliance with the Tax Code.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. The date of delinquency may be postponed if the tax bills are mailed after January 10. A person over sixty-five (65) years of age is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board based on valuation of property within the District as of the preceding January 1.

Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Tax Code also makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

Property owners who are disabled or at least 65 years of age or older and qualify to receive a homestead exemption, may pay property taxes in four equal installments following a disaster. Further, a person who is 65 years of age or older or disabled is entitled by law to pay current taxes on his residential homestead in installments or to receive a deferral or abatement of delinquent taxes without penalty during the time he owns or occupies his property as his residential homestead. In addition, certain classes of disabled veterans may receive a deferral or abatement of delinquent taxes without penalty during the time he owns or occupies his property as his residential homestead.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of 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 Outstanding Bonds, 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 November 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 operation and maintenance purposes. For the 2026 tax year, the District levied a total tax of $0.8700 per $100 of assessed valuation; this total tax is composed of a maintenance and operation tax of $0.1075 per $100 of assessed valuation, a utility debt service tax of $0.3450 per $100 of assessed valuation, a road debt service tax of $0.1900 per $100 of assessed valuation, and a contract tax of $0.2275 per $100 of assessed valuation.

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).
Master District Contract Tax:	Unlimited (no legal limit as to rate or amount).
Parks and Recreational Facilities Tax:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.00 per $100 assessed valuation.

Historical Tax Collections

The following table illustrates the collection history of the District for the 2021–2025 tax years:

Tax Year	Taxable Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 05/31/2026
2021	$373,656,052	0.900	$3,362,904	97.97%	2022	99.96%
2022	454,534,672	0.900	4,090,812	99.92%	2023	99.97%
2023	534,102,734	0.900	4,806,925	99.92%	2024	99.91%
2024	602,215,867	0.870	5,239,278	99.26%	2025	99.83%
2025	673,749,179	0.870	5,861,618	99.41%	2026	99.41%

(a) Total tax rate per $100 of taxable assessed valuation. Includes a tax for maintenance and operation purposes. See "Tax Rate Distribution" below.

Tax Rate Distribution

	2026	2025	2024	2023	2022
Road System Debt Service	$0.1900	$0.1900	$0.2400	$0.2300	$0.2700
Utility System Debt Service	0.3450	0.3300	0.2500	0.3500	0.3100
Maintenance	0.1075	0.1350	0.1750	0.1600	0.1700
Master District Contract	0.2275	0.2150	0.2050	0.1600	0.1500
Total	$0.8700	$0.8700	$0.8700	$0.9000	$0.9000

Analysis of Tax Base

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

Type of Property	2026 Assessed Taxable Valuation (a)	2025 Assessed Taxable Valuation	2024 Assessed Taxable Valuation	2023 Assessed Taxable Valuation	2022 Assessed Taxable Valuation
Land	$ 168,136,559	$ 171,256,551	$ 170,360,600	$ 166,266,054	$ 137,704,012
Improvements	488,729,203	510,203,053	452,466,368	383,960,324	326,774,029
Personal Property	83,189,920	106,104,660	61,318,020	60,172,333	44,209,625
Exemptions	(98,866,358)	(113,815,085)	(81,929,121)	(76,295,977)	(54,152,994)
Total	$ 641,189,324	$ 673,749,179	$ 602,215,867	$ 534,102,734	$ 454,534,672

(a) Does not include $15,527,315 of assessed valuation assigned to properties that remain under review by the Hays Central Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Hays Central Appraisal Review Board.

Principal Taxpayers

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

Taxpayer	Types of Property	Taxable Valuation 2026 Tax Roll	Percentage of District's 2026 Taxable Value
Us Foods	Land, Improvements & Personal	$ 44,889,083	7.00%
Continental 396 Fund LLC	Land & Improvements	37,000,000	5.77%
Buda Center LLC	Land & Improvements	37,000,000	5.77%
Ta Buda Midway LLC	Land & Improvements	36,600,000	5.71%
Pool 6 Industrial Tx LLC	Land & Improvements	22,022,208	3.43%
Dev Property Tx LLC	Land & Improvements	21,197,487	3.31%
BKCK LTD	Land & Improvements	19,126,000	2.98%
Firecracker 4 & 5 Industrial Owner LLC	Land & Improvements	15,112,326	2.36%
Four Hands LLC	Land & Improvements	13,196,985	2.06%
Austin 35 Assurance LLC	Land & Improvements	10,571,086	1.65%
Total		$ 256,715,175	40.04%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Bonds and the Outstanding Bonds if no growth in the District occurs beyond the District's taxable assessed valuation as of January 1, 2026 ($656,716,639). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2027–2052)	$ 2,067,253
Tax Rate of $0.34 on the 2026 Taxable Assessed Valuation produces	$ 2,121,195
Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2042)	$ 2,374,869
Tax Rate of $0.39 on the 2026 Taxable Assessed Valuation produces	$ 2,433,135
Average Annual Debt Service Requirement on the Outstanding Road Bonds (2027–2043)	$ 1,133,037
Tax Rate of $0.19 on the 2026 Taxable Assessed Valuation produces	$ 1,185,374
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2038)	$ 1,361,081
Tax Rate of $0.22 on the 2026 Taxable Assessed Valuation produces	$ 1,372,538

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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.

	2026 Tax Rate Per $100 of Assessed Value	
Taxing Jurisdiction	**Hays County**	**Travis County (a)**
The District	$ 0.870000	$ 0.870000
Hays County	0.372100	---
Hays County Emergency Service District No. 8	0.100000	---
Northeast Hays Emergency Service District No. 2	0.070615	---
Hays Consolidated Independent School District	1.140000	1.140000
Austin Community College District	0.103643	0.103643
Hays County Special Road & Bridge	0.037600	---
Travis County	---	0.386210
Travis County Healthcare District	---	0.132863
Travis County Emergency Service District No. 11	---	0.100000
	$ 2.693958	$ 2.732716

(a) A small portion of the District is located in Travis County, Texas.

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 Order of the TCEQ dated June 27, 2005, as Winfield Municipal Utility District No. 1 of Hays and Travis Counties. By Order of the TCEQ dated April 10, 2006, the name of the District was changed to Sunfield Municipal Utility District No. 1. 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, pursuant to Chapter 8200, Texas Special District Code, the District is authorized to construct, acquire, improve, maintain and operate roads located within or outside its boundaries. 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; and 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 situated in both Hays County, Texas, and Travis County, Texas. Approximately 654.45 of the District's 686 total acres are within Hays County and approximately 31.55 acres are in Travis County. The District is located approximately 15 miles south of the City of Austin, Texas, and approximately 2 miles east of the City of Buda. The District is bordered on the north by Turnersville Road, on the south by Farm-to-Market Road 2001 and includes Firecracker Road. The District is located partly within the limited purpose corporate limits and wholly within the extraterritorial jurisdiction of the City of Buda. The District is located primarily in Hays Consolidated Independent School District and a small portion of undeveloped acreage within the District is in Austin Independent School District. The District is located wholly within the approximately 2,790-acre, master-planned community known as "Sunfield" and wholly within an area certificated to the Goforth Special Utility District ("Goforth SUD") for the providing of retail water. See "THE ROAD AND UTILITY SYSTEMS."

Management of the District

The District is governed by a board of five directors which has control and management supervision over all affairs of the District. None of the present members of the Board reside within the District, but all own real property located within the boundaries of the District. Directors are elected in even-numbered years for staggered, four-year terms. The present members and officers of the Board are listed below:

Name	Position	Term Expires May
Steve Sogar	President	2030
Tara Hays	Vice President	2030
Miklos Gaal	Secretary	2028
Sarah Vlcek	Assistant Secretary	2030
Vacant	Assistant Secretary	2028

The District has contracted with the following companies to operate its utilities and recreational facilities:

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

Bookkeeper: Municipal Accounts & Consulting LP serves as bookkeeper to the District.

Utility System Operator: The Guadalupe-Blanco River Authority operates the District's wastewater system. Goforth SUD operates the District's water system. See "THE SYSTEM – Wastewater Treatment and Conveyance System."

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. Mark C. Eyring, CPA, PLLC performed the audit of the District's financial statements for the fiscal year ended September 30, 2025. See "APPENDIX A."

Engineer: Consor North America, Inc. (the "Engineer") is retained as the District's engineer for all Sunfield Districts. There are 2 other engineering firms that were hired to design the District's subdivisions, utility infrastructure and roads. The Engineer designed the Master District's water and wastewater facilities.

General Counsel & Bond Counsel: The District has engaged Coats Rose, P.C., Dallas, Texas, as General Counsel and Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Financial Advisor: The District has engaged 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.

Strategic Partnership and Economic Development Agreements

Effective September 19, 2006, the District and the City entered into a Strategic Partnership Agreement ("SPA"), whereby the City annexed certain commercial areas of the District for the limited purposes of applying certain city planning, zoning, health and safety ordinances in the area annexed for limited purposes. Under the terms of the SPA the City will impose a one percent (1%) sales tax in the areas annexed for limited purposes. In addition, the City has agreed that it will not annex the District for full purposes (a traditional annexation) until the earlier of thirty years from the effective date of the SPA or upon completion of and issuance of District bonds for 90% of utility infrastructure necessary for the District.

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DEVELOPMENT STATUS OF THE DISTRICT

The District contains approximately 686 total acres of land. To date, approximately 820 single-family lots have been developed within the District in the following residential subdivisions: Sunfield, Phase 1, Sections 1, 2, 5, and 6 and Phase 2, Sections 3, 4 and 11. Such subdivisions encompass approximately 229 total acres. As of June 30, 2026, single-family residential development within the District included approximately 820 completed homes (820 occupied, 0 unoccupied, and 0 model homes), approximately 0 homes under construction, and approximately 0 vacant, developed lots.

The following table summarizes development within the District as of June 30, 2026:

	Section Acreage	Total Lots	Homes Completed	Homes Under Construction	Developed Vacant Lots
Sunfield Phase 1					
Section 1	57.68	159	159	0	0
Section 2	37.67	189	189	0	0
Section 5	15.25	73	73	0	0
Section 6	9.17	46	46	0	0
Sunfield Phase 2					
Section 3	24.65	19	19	0	0
Section 4	62.03	214	214	0	0
Section 11	22.82	120	120	0	0
Single-Family Residential Total	229.27	820	820	0	0
Apartments	57.03				
Commercial	277.22				
Other	76.96				
Undevelopable	8.62				
Remaining Developable	36.98				
Total	686.08				

SUNFIELD

Sunfield is a master-planned community located 15 miles south of downtown Austin, Texas, and 2 miles east of Buda, Texas. Sunfield is bounded by Turnersville Road on the north, Farm-to-Market Road 2001 on the south and Firecracker Road is located within the project.

All 2,790 acres of land that make up Sunfield are located within one of four municipal utility districts created by order of the TCEQ to serve Sunfield: the District (or "SMUD No. 1"), Sunfield Municipal Utility District No. 3 ("SMUD No. 3"), Sunfield Municipal Utility District No. 2 ("SMUD No. 2"), and Sunfield Municipal Utility District No. 4 ("SMUD No. 4" and the "Master District"). To date, all material development in Sunfield has occurred within the District, SMUD No. 3, and SMUD No. 4.

Approximately 1,355 acres (5,017 lots) within Sunfield have been developed for single-family residential use. As of June 30, 2026, there were approximately 4,150 total complete homes (approximately 4,109 occupied, 32 unoccupied, and 9 model homes), approximately 132 homes under construction, and approximately 735 vacant developed lots. This includes the recently developed approximately 94.88 acres in Phases 6.1 and 6.2 (380 single-family lots). Sunfield also includes approximately 397.90 acres developed for retail industrial, multi-family, commercial, and recreational uses, approximately 772.77 undeveloped but developable acres, approximately 282.90 acres of land developed for the District and the County, and approximately 70.39 undevelopable acres.

Current commercial development within SMUD No. 1 and SMUD No. 3 consists of: US Foods Inc., a regional food servicing distribution operator for restaurants, hospital facilities, governmental operations and educational institutions, purchased a 40.17-acre site on 2010 on which it has constructed a 277,000 square foot office, dry food storage, and freezer food storage facility and a 10,000 square-foot maintenance facility; Tractor Supply Company, a retail farm and ranch store chain, purchased approximately 3.82 acres on which it has constructed a 19,100 square foot retail store; Burger King: on 0.801 acres; a national franchised fast food chain restaurant; Studio 6 Hotel, on 1.40 acres operates a hotel across the street from Baylor Scott and White Hospital; Health Center Commercial Building, a 2.5-acre 20,000 square foot multi-tenant medical office building with Ascension Seton and Dell Children's Medical Group as major tenants; Baylor Scott and White Hospital Group, purchased 19.60 acres for the construction of a hospital and retail facility estimated investment value of at least $35 million in land, buildings, equipment, inventory and other improvements necessary for a full medical facility. US Foods received a Texas Enterprise Fund grant of $1,072,500 in November of 2024 to expand their facility within the current site. US Foods anticipates creating 165 new jobs and investment more than $120 million in capital investment for the expansion. The hospital opened for operations in October of 2019 and includes a full-service emergency department, medical office space, retail pads, operating rooms, imaging, and other facilities; Exeter Property Group (Industrial), owned under the name of Exeter Buda Land LP, purchased 36.78 acres and developed 300,000 square feet of industrial space that has been leased

to Amazon. The second phase of this industrial space has been updated to a distribution logistics vehicle lot that will handle the food to go portion of the business line. Exeter Property Group owns another 6.341 acres within the District and has completed construction on a 181,829 square foot front load warehouse; Sunfield Station Athletic Complex, purchased 8 acres in April of 2018 and constructed a 30,000 square foot indoor multi-use sports complex and associated sports retail center with an estimated 60,000 square feet of building/retail space. Construction of Sunfield Station was completed in 2019. The complex primarily focuses on indoor volleyball but also includes basketball and other sports. The project estimates that each tournament at the facility will bring up to 1,500 visitors to the City of Buda, Texas, with that number estimated to increase as tournaments grow in size and frequency. Long-range projections indicate the annual visitor count to the facility could exceed 40,000; SNKS Convenience Store, a gas station and convenience store site consisting of 1.40 acres was sold and is located at the corner of Main Street and Campo Del Sol. The store has opened as Buddies market Sunfield and includes various convenience store products as well as beer and wine sales and gas facilities. Kiddie Academy Educational Learning Center (Daycare), a 2.16-acre site to the west of Sunfield Station on Main Street was purchased by Buda Enterprise Phase 1, LLC which operates a national franchise known as Kiddie Academy Educational Learning Center. This day care center opened in 2020; a 16.5-acre site was donated to Hays Consolidated Independent School District for an elementary school site. Construction of Sunfield Elementary finished in August 2022 and opened for the 2022-2033 school year; AMP CNG, purchased 1.733 acres and constructed a high-pressure liquified natural gas station that fuels all of the U.S. Foods transportation vehicles as well as other LNG clients; Tuscany Apartments is a multi-family development that includes 196 units on 13 acres, which historically is 90-98% leased; Huntington Apartments, which purchased 5.81 acres in 2009, consists of 120 units of senior living apartments. These units are historically 90- 100% leased; Ryze at Sunfield (originally the Royalton) was constructed on approximately 16.59 acres in Sunfield. The complex includes 300 units and was completed in 2021. In 2020, Buda School Development LLC purchased 10 acres and opened a charter school to include Kindergarten through 8th grade initially with plans to grow through High School. The charter school opened for the 2022-2023 school year; Cavender Real Estate of Hays County, LLC purchased approximately 17 acres of I-35 frontage within the District and constructed a Subaru dealership on site. The site includes a two- story sales and service center, a car wash, a turfed park area, and a dog park. The dealership opened in the fourth quarter of 2023; United Properties Development LLC ("United") purchased approximately 79 acres within the District in a two-part closing in June 2021 and June 2022. United constructed three industrial buildings on the Phase 1 site, which include approximately 474,840 square feet of space. United also completed construction on an additional four industrial buildings on the Phase 2 site, which includes approximately 382,202 square feet of space. Slate Real Estate Partners purchased approximately 10 acres from United and constructed a multi-family site with 259 total units, which has opened and is operating as Junewood Apartment Homes. Group 1 purchased approximately 17 acres of I-35 frontage for a future KIA dealership; the Developer recently completed drainage and site improvements. The remaining commercial acreage in Sunfield is made up of approximately 111 acres which include developed commercial pads, commercial, retail, and light industrial land, as well as multi-family land.

Homebuilders active within Sunfield include Centex Homes, Pulte Homes, Castle Rock Homes, Brightland, Taylor Morrison, Chesmar Homes Austin, Centex, and David Weekly Homes. Homes being constructed in Sunfield range in price from $327,990 to $700,900 Homebuilding began in Sunfield in July of 2010 and approximately 15 homes were constructed during 2010; 55 homes were constructed in 2011; 136 homes were constructed in 2012; 129 homes were constructed in 2013; 45 were constructed in 2014; 124 homes were constructed in 2015, 138 homes were constructed in 2016; 151 homes were constructed in 2017; 341 homes were constructed in 2018; 476 homes were constructed in 2019; approximately 416 homes in 2020; approximately 595 homes in 2021; approximately 309 homes in 2022; approximately 556 homes in 2023; approximately 330 homes in 2024; approximately 240 homes in 2025; and approximately 94 homes in 2026 to date.

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THE DEVELOPER

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

The previous developer of land within the District was 2428 SF PH 1 LLC, a Texas limited liability company (the "Previous Developer"), which is wholly owned by 2428 Partners, LLC. 2428 Partners, LLC is comprised of 2428 Management, LLC, general partner, and IHP Fund III, LLC, limited partner. The principal developer of land within the District is Sunfield Development LLC (the "Developer"), which purchased land from the Previous Developer on December 31, 2020. The Developer sold approximately 95 acres to Pulte Homes of Texas, LP ("Pulte") and Taylor Morrison of Texas, Inc. ("Taylor Morrison"), which encompasses Phases 6.1A, 6.1B, 6.1C, 6.2A, and 6.2B in SMUD No. 4. The sale included a development agreement whereby the Developer is obligated to construct lot improvements and deliver lots to Pulte and Taylor Morrison. Development of such lots is complete and homebuilding is underway. Sunfield Development LLC is comprised of VP Sunfield Holdings LLC and IHP SF Investments LLC. Sunfield Investments LLC is an additional landowner within the District which owns land that is planned for future commercial, industrial and multi-family uses. Sunfield Investments LLC is comprised of VP Sunfield Holdings LLS and IHP SF Investments LLC. The District is managed by Scarborough Services LLC, a third-party management company controlled by James R. Feagin and Ryan Burkhardt. The Developer and its related entities currently own approximately 37 acres in the District, as well as approximately 860 acres in the remainder of Sunfield.

Development Financing

Funding for development of Sunfield is provided by a combination of cash contributions from its partners and a revolving line of credit from Western Alliance Bank (the "Lender"). The Developer had an outstanding principal balance of $10,378,177.44 as of July 31, 2026, with the Lender and is in good standing with all loan covenants and requirements.

THE SYSTEM

Regulation

According to the Engineer, the water distribution, wastewater collection and storm water drainage facilities and roads constructed by the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City, Goforth SUD, the Texas Department of Transportation and Hays and Travis Counties. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies and, the water and sanitary sewer system has been inspected by the appropriate jurisdictional entities.

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

Description of the Road and Utility Systems

- Roads -

The road system serving the Sunfield development includes arterial roads (major and minor) and internal roads. Major arterial roads include Farm-to-Market Road 2001, Firecracker Road, Loop 4/Main Street, Turnersville Road, and Satterwhite Road. Various minor arterial and internal roads are built providing vehicular access to the District.

Planning for road extensions and development of a road infrastructure that includes subdivision roads, major and minor arterials and highway/parkway is a task that involves various entities and planning groups. The two primary entities with road planning efforts in the vicinity are the City and the Capital Area Metropolitan Planning Organization ("CAMPO"). These two entities have adopted planning studies that include road improvements anticipated to be constructed as part of Sunfield. The City has adopted the Buda Master Transportation Plan, and CAMPO has adopted the 2030 Regional Roadway

System. The road improvements developed and planned in Sunfield comply with both of these plans, in part, by contributing arterial roads and feeder roads. Additionally, the City of Buda, Texas, through the adoption of a Traffic Impact Analysis and Mitigation Plan for Sunfield, has set the design standards for the roads to serve Sunfield.

On June 6, 2024, the City entered into an Agreement for Cost Sharing of Roadway (the "Roadway Agreement") with the Sunfield Districts to fund certain roadway improvements. Under the terms of the Roadway Agreement, the Sunfield Districts paid a total of $3,000,000 in project costs for the portion of the roadway improvements that would benefit the districts. The District's share of the total payment under the Roadway Agreement was $1,435,229. The District paid such payment during its fiscal year ending October 27, 2026.

The City and 2428 Partners, L.P. entered into an Economic Development Agreement dated September 19, 2006 (the "Sunfield 380 Agreement"). The City and the Developer, as assignee of 2428 Partners, L.P., agreed to terminate the Sunfield 380 Agreement, pursuant to an Agreement Regarding Termination of Economic Development Agreement dated June 4, 2024 (the "Termination Agreement"). Given the termination of the Sunfield 380 Agreement, the City is no longer required to remit certain sales tax revenue to the Developer, up to a maximum of $4.25 million, as described therein. The infrastructure costs proposed to be reimbursed by the City under the Sunfield 380 Agreement may be considered eligible reimbursement obligations of the District.

- Wastewater Treatment and Conveyance System -

Sunfield is provided with wastewater treatment in a 0.99 million gallons per day ("gpd") wastewater treatment plant. Wastewater collection is provided through a system of gravity lines, lift stations, and force mains feeding the wastewater treatment plant.

The wastewater collection and treatment system was funded by the Master District (and other Sunfield Districts). However, in January of 2021, each of the Sunfield Districts approved an agreement under which SMUD No. 4, in its capacity as the Master District, would convey the treatment plant (and the entirety of the wastewater system serving Sunfield) to the GBRA. This transfer of ownership of the wastewater system to the GBRA has been completed, and the GBRA is now the retail provider of wastewater service to the Sunfield Districts and is responsible for the operation and maintenance of the wastewater system serving Sunfield, including the District.

- Water Supply and Distribution -

Sunfield is provided water service through a network of distribution mains and facilities funded by the Master District and other Sunfield Districts and conveyed to Goforth SUD, as the retail service provider, for operation and maintenance. The entire development to date is within the Certificate of Convenience and Necessity No. 11356 held by Goforth SUD. SMUD No. 4, in its capacity as the Master District, constructed water system improvements to provide and improve water service to the development. The improvements included a 500,000-gallon elevated storage tank, a 1,500-gallon-per-minute pump station, a 250,000-gallon ground storage tank, an interconnect and meter assembly, and 12-, 16-, and 24-inch water transmission mains. Goforth SUD is currently serving approximately 4,300 living unit equivalents ("LUEs") in the Sunfield development.

- Drainage -

The Sunfield development is provided with drainage of stormwater via a curb and guttered street system with buried storm sewer pipes connecting to drainage channels and detention ponds. The land generally slopes southeasterly in the drainage basin of the Blanco River. A majority of the District lies within the Plum Creek watershed, which drains into the Guadalupe-Blanco River.

- Agreement Regarding Wholesale Water Supply and Wastewater Treatment -

The Master District is a party to various agreements with the GBRA pursuant to which the Master District has acquired a supply of water for approximately 4,630 LUEs and the transportation of such water to Sunfield. Pursuant to such agreements, the Master District is reserving untreated water, paying for the cost of treating water and its pro rata share of the annual debt service on certain water treatment facilities and water trunklines conveying water to Sunfield ("GBRA Payment"). Pursuant to the hereinafter defined Master District Contract, each of the Sunfield Districts has agreed to pay a portion of the GBRA Payment based upon the projected number of connections in each district. As an obligation to the Master District, each Sunfield Districts' obligation is secured by its unlimited ad valorem taxing authority. Effective February 15, 2012, the Sunfield Districts entered into an amended and restated non-standard water utility service agreement with Goforth SUD pursuant to which Goforth SUD will be the retail provider of water service to Sunfield and will have the obligation to make a pro-rata portion of the GBRA Payment for each permanent connection made in Sunfield assumed by Goforth SUD beginning in the calendar quarter following the installation of such connection. In addition, pursuant to the Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, as amended, and the Assignment and Assumption Agreement by and among GoForth SUD and Sunfield Municipal Utility Districts Nos. 1, 3 and 4, Goforth SUD contracted for the early transfer

of a total of 4,000,000 gallons per day ("gpd") of water and assumed the obligation to make the GBRA Payments for such total 4,000,000 gpd of water (the "Original Allocation").

Effective August 22, 2023, the Sunfield Districts executed an amendment to the amended and restated non-standard water utility service agreement with Goforth SUD pursuant to which Goforth SUD agreed to provide retail water service sufficient to serve an additional 2,665 LUEs within the Sunfield Districts (the "Additional Capacity"). The Developer (Sunfield Development LLC) joined the agreement to satisfy the agreed-upon reserve water charges and impact fees related to the Additional Capacity contemplated within the amendment. The Sunfield Districts have no payment obligations under the amendment, however, it is intended that the Master District will issue bonds to reimburse Sunfield Development LLC for such reserve water charges and impact fees paid by Sunfield Development LLC related to the Additional Capacity. See "INVESTMENT CONSIDERATIONS – Obligations to Guadalupe-Blanco River Authority."

- Master District –

On April 23, 2007, the District executed a Contract for Financing, Operation of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities (the "Master District Contract") with the Master District relating to the following facilities and services: the Master District wastewater collection system, the Master District water distribution system, the water supply system and wastewater transportation and treatment system (collectively, the "Master District Facilities"). The Master District Contract was approved by the voters of the District at an election held on May 12, 2007. Similar contracts have been executed between the Master District and the other Sunfield Districts. The Master District Contract provides that the District and all other Sunfield Districts that have executed similar contracts with the Master District pay a pro-rata share of debt service on Contract Revenue Bonds issued to finance the Master District Facilities based upon certified appraised valuation. However, only the proportionate share of the facilities being used to serve the District, SMUD No. 3, and SMUD No. 4 are being financed by the Bonds, as such, SMUD No. 2 has no obligation to make Pledged Contract Payments to the Master District. The District is obligated to pay its pro rata share from the proceeds of the Contract Tax (as defined in the Master District Contract) for such purpose, or from any other legally available funds of the District. The Master District Contract also provides for operation and maintenance expenses for facilities constructed pursuant to the Master District Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

The Master District has issued $17,200,000 Unlimited Tax Contract Revenue Bonds, Series 2022, $22,750,000 Unlimited Tax Contract Revenue Bonds, Series 2023, $13,920,000 Unlimited Tax Contract Revenue Bonds, Series 2024, $8,085,000 Unlimited Tax Contract Revenue Bonds, Series 2024A; and $6,940,000 Unlimited Contract Tax Revenue Bonds, Series 2025 based upon the contracts with the other Sunfield Districts. The Master District is authorized to issue contract revenue bonds sufficient to complete acquisition and construction of the Master District Facilities. The District's pro rata share (and that of all other Financing Participants) of the debt service requirements on the contract revenue bonds is determined by dividing the District's certified gross appraised value by the cumulative total of the certified gross appraised values of all the Sunfield Districts which are parties to the Master District Contract. The Master District Contract obligates the District to pay its pro rata share of debt service requirements on the contract revenue bonds from the proceeds of the Contract Tax, revenues derived from the operation of the District's water distribution and wastewater collection system or from another legally available funds of the District.

Each Sunfield District 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. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. 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 Sunfield Districts 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 district, and convey such Master District Facilities to the Master District in consideration of payment by the District, in its capacity as the Master District, of the actual capital costs expended by such district for such Master District Facilities.

The District is further obligated to pay monthly charges for 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 LUEs for all of the Sunfield Districts within the service area by the number of LUEs for the District, 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 District, in its capacity as 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 wastewater collection system, together with taxes levied and funds received form 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.

Historical Operations of the Systems

The following is a summary of the District's operating fund for the last five years. For the District's fiscal years ended September 30 in each of the years 2022–2025, the figures below were obtained from the District's annual financial reports for the fiscal year ended September 30, 2025, 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. The figures from October 1, 2025 to September 30, 2026, are unaudited and were provided by the bookkeeper.

	Fiscal Year Ended September 30				
	2026 (a)	2025	2024	2023	2022
Revenues					
Property Taxes	$ 909,888	$1,052,912	$ 847,095	$ 777,309	$1,056,615
Penalties and Interest	2,128	1,492	4,518	904	1,579
Master District Surplus Billings	–	–	–	–	–
Interest on Deposits and Investments	86,309	106,457	161,099	129,729	15,509
Total Revenues	$ 998,325	$1,160,861	$1,012,712	$ 907,942	$1,073,703
Expenditures					
Service Operations					
Purchased Services	$ 408,107	$ 637,360	$ 371,317	$ 234,821	$ 198,249
Professional Fees	97,712	110,730	91,683	110,637	76,470
Contracted Services	103,187	91,521	88,136	78,819	64,153
Utilities	14,900	15,739	19,806	14,949	19,404
Repairs and Maintenance & Other	74,944	26,199	77,208	46,706	46,999
Administrative	17,144	23,804	26,630	36,314	15,163
Interest	–	31,802	–	–	–
Capital Outlay	631	1,435,229	–	–	–
Total Expenditures	$ 716,626	$2,372,384	$ 647,780	$ 522,246	$ 420,708
Excess (Deficit) of Revenues	$ 281,699	$(1,211,523)	$ 337,932	$ 385,696	$ 652,995

(a) Unaudited from October 1, 2025 to September 30, 2026. Provided by the bookkeeper.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations of the District and are not obligations of the State of Texas; Hays County, Texas; Travis County, Texas; the City of Buda, 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, 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 and multi-family housing, commercial and industrial markets in the Austin, Texas metropolitan area. The principal landowner within the District is Sunfield Development LLC, a Texas limited liability company (the "Developer"). See "THE DEVELOPER." The Developer's ability to successfully market property in the District can be affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of construction would restrict the growth of property values in the District. Although 820 single-family homes have been completed in the District as of June 30, 2026, the District cannot predict the pace or magnitude of future development, if any, in the District. See "DEVELOPMENT STATUS OF THE DISTRICT."

Developer's 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 land owner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home or commercial construction activity in the District. Failure to construct taxable improvements on developed lots and commercial tracts 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 "THE DEVELOPER."

Concentration of Tax Base: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers in 2026 owned property located in the District, the aggregate certified assessed valuation of which comprised approximately 40.04% of the District's total certified assessed valuation. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. See "DEVELOPMENT STATUS OF THE DISTRICT." Failure by one or more of the District's principal property owners to make full and timely payments of taxes due, or a decline in the District's tax base due to a diminution of the personal property component thereof as described above, may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements.

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 $656,716,639.

After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Utility Bonds and the Bonds will be $2,374,869 (2042), and the average annual debt service requirement on the Outstanding Utility Bonds and the Bonds will be $2,067,253 (2027–2052). Assuming no increase nor decrease from the District's taxable assessed valuation as of January 1, 2026, a tax rate of $0.39 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Utility Bonds and the Bonds, and a tax rate of $0.34 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Utility Bonds and the Bonds. See "DISTRICT DEBT – Utility Debt Service Requirements."

The maximum annual debt service requirement on the Outstanding Road Bonds will be $1,361,081 (2038), and the average annual debt service requirement on the Outstanding Road Bonds will be $1,133,037 (2027–2043). Assuming no increase nor decrease from the District's taxable assessed valuation as of January 1, 2026, a tax rate of $0.22 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Road Bonds, and a tax rate of $0.19 per $100 assessed valuation at

a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Road Bonds. See "DISTRICT DEBT – Road Debt Service Requirements.".

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate, or to justify continued payment of taxes by property owners. For the 2026 tax year, the District levied a total tax of $0.8700 per $100 of assessed valuation; this total tax is composed of a maintenance and operation tax of $0.1075 per $100 of assessed valuation, a utility debt service tax of $0.3450 per $100 of assessed valuation, a road debt service tax of $0.1900 per $100 of assessed valuation, and a contract tax of $0.2275 per $100.

Tax Collections and Foreclosure Remedies

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

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

Registered Owners' Remedies

The Bond Order does not provide for the appointment of a trustee to represent the interests of the Registered Owners upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition. Furthermore, the Bond Order does not establish specific events of default with respect to the Bonds and, under the laws of the State of Texas (the "State"), there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Bond Order. A registered owner of Bonds could seek a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds; however, such judgment could not be satisfied by execution against any property of the District. A registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the District to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. In addition, the Texas Supreme Court has ruled that a waiver of sovereign immunity must be provided for by statute in clear and unambiguous language and that certain statutory language previously relied upon by lower courts to support a finding that sovereign immunity had been waived did not constitute a clear and unambiguous waiver of sovereign immunity. Neither the remedy of mandamus nor any other type of injunctive relief was considered in these recent Supreme Court cases; and, in general, Texas courts have held that a writ of mandamus may be issued to require a public official to perform ministerial acts that clearly pertain to their duties, such as a legal duty that leaves nothing to the exercise of discretion or judgment. Texas courts have also held that mandamus may be used to require a public official to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party, including the payment of monies due under a contract. The District is also eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without United States Bankruptcy Court ("Bankruptcy Court") approval, the prosecution of any other legal action by creditors or Registered Owners of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to creditors under the Bankruptcy Code.

Future Debt

Following the issuance of the Bonds, the District will have the following principal amounts of unlimited tax bonds remaining authorized but unissued: $12,140,000 for the purpose of purchasing, constructing, acquiring, and maintaining the Utility System to serve the District; no principal amount for the purpose of purchasing, constructing, acquiring, and maintaining the Road System; $3,755,000 for the purpose of purchasing, constructing, acquiring, and maintaining the Park System; $73,485,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of purchasing, constructing, acquiring, and maintaining the Utility System; and $22,310,000 for the purpose of refunding bonds issued for the purpose of purchasing, constructing, acquiring, and maintaining the Road System. 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. After issuance of the Bonds, the District will owe the Developer approximately $1,710,174 for the existing water, sewer, and drainage facilities, approximately $2,700,000 for the existing park facilities, approximately $0 for the existing road facilities serving the District. See "DEVELOPMENT STATUS OF THE DISTRICT."

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

The District is part of the approximately 2,790-acre master-planned community of "Sunfield." Sunfield is comprised of the District, SMUD No. 2, SMUD No. 3, and SMUD No. 4. The District, SMUD No. 2, SMUD No. 3, and SMUD No. 4 are collectively referred to herein as the "Sunfield Districts." See "SUNFIELD."

The District have entered into a Contract for Financing, Operation of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities with the Master District pursuant to which the Master District will provide the regional water, sanitary sewer and drainage facilities and capacities ("Master District Facilities"), and each Sunfield District will pay its pro-rata share of such cost. From time to time, the Master District will issue contract tax revenue bonds, and each Sunfield District will pay a portion of the debt service thereon based upon the amount of ad valorem tax base located within its boundaries. Currently, only SMUD No. 2 has not experienced any development, although it has entered into a similar agreement to pay for Master District Facilities; development within Sunfield is limited to the development within the District, SMUD No. 3, and SMUD No. 4.

Currently, the Master District owes the Developer approximately $2,830,000 for the Master District Facilities. See "THE SYSTEM."

Bonds issued by the District and the Master District for water, sewer and drainage facilities are subject to prior approval by the TCEQ. The TCEQ has certain economic feasibility rules that, for districts located in Hays and Travis Counties, limit the amount of bonds which can be issued to an amount that can be amortized with a tax rate not exceeding $1.20 per $100 of assessed 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 of assessed valuation imposed by the Attorney General of Texas.

In conjunction with granting its consent to the creation of the District, the City, the Developer, and the District entered into an agreement which provides that the City must review and approve each issuance of bonds by the District. In the event the Developer is in breach of certain agreements with the City, the City may refuse to grant such consent until satisfactory arrangements are made with the City. The City has consented to the issuance of the Bonds by the District. See "THE DISTRICT."

Competitive Nature of Austin Residential Commercial/Industrial Market

The housing, commercial and industrial construction industry in the City of Austin, Texas, area is very competitive, and the District can give no assurance that the building programs which are planned by the Developer will be continued or completed. The competitive position of the Developer 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.

Environmental Regulation

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; and
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility 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.

Obligations to Guadalupe-Blanco River Authority

The Master District has entered into an Agreement Regarding Wholesale Treated Water Service with the Guadalupe-Blanco River Authority ("GBRA"). Pursuant to such agreement, GBRA currently provides wholesale water supply to the Master District. See "THE SYSTEM." GBRA is a regional provider of wholesale and retail water and wastewater services for areas located south of the City of Austin, Texas.

Water trunklines connecting the existing development within Sunfield to the GBRA waterlines have been constructed with monies advanced by the Developer. In 2004, the GBRA sold bonds and constructed a water line to the vicinity of Sunfield to serve then-projected full development of the Sunfield Districts and other customers located in the vicinity of Sunfield. Each entity entitled to receive water service through such line is obligated to pay a portion of the debt service on such bonds. Initially, the District, in its capacity as the Master District, was obligated to pay approximately 34% of the debt service on such line. In addition to a pro-rata share of the debt service, the Master District is required to pay an annual water reservation fee. The District, in its capacity as the Master District's annual water reservation fee and pro-rata share of debt service allocated to Sunfield are collectively referred to herein as the "GBRA Payment."

Effective February 15, 2012, the Sunfield Districts, excluding SMUD No. 2, entered into an amended and restated non-standard water utility service agreement, as subsequently amended, with Goforth Special Utility District ("Goforth SUD") pursuant to which Goforth SUD will be the retail water provider and will have the obligation to make a portion of the GBRA Payment for each permanent connection in Sunfield assumed by Goforth SUD and the Assignment and Assumption Agreement by and among GoForth SUD and Sunfield Municipal Utility Districts Nos. 1, 3 and 4, Goforth SUD contracted for the early transfer of a total of 4,000,000 gallons per day ("gpd") of water and assumed the obligation to make the GBRA Payments for such total 4,000,000 gpd of water (the "Original Allocation").

Effective August 22, 2023, the Sunfield Districts, excluding SMUD No. 2, executed an amendment to the amended and restated non-standard water utility service agreement with Goforth SUD pursuant to which Goforth SUD agreed to provide retail water service sufficient to serve an additional 2,665 LUEs within the Sunfield Districts (the "Additional Capacity"). The Developer (Sunfield Development LLC) joined the agreement to satisfy the agreed upon reserve water charges and impact fees related to the Additional Capacity contemplated within the amendment. The Sunfield Districts have no payment obligations under the amendment, however, it is intended that the Master District will issue bonds to reimburse Sunfield Development LLC for such reserve water charges and impact fees paid by Sunfield Development LLC related to the Additional Capacity.

Marketability of the Bonds

Except as described in the Official Notices of Sale, the District has no understanding with the initial purchasers of the Bonds (the "Initial Purchaser") regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price 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.

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas, law, the District may voluntarily proceed under Chapter 9. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. The rights and remedies of the registered owners of the Bonds (the "Registered Owners") could be adjusted in accordance with the confirmed plan of adjustment of the District's debt. See "THE BONDS – Registered Owners' Remedies" and "– Bankruptcy Limitation to Registered Owners' Rights."

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 "LEGAL MATTERS."

Approval from the City of Buda

Pursuant to an agreement with the City, the District is required to receive the approval from the City prior to issuing bonds, such as the Bonds. The agreement stipulates that the City may deny such approval if certain water, sewage, and drainage facilities are not constructed. Currently, not all such water, sewage, and drainage facilities have been constructed. However, the City Council of the City has approved the issuance of the Bonds. The District makes no representation as to the likelihood of when the required water, sewage, and drainage facilities will be constructed nor if the City will approve future bond issues without such improvements.

Bond Insurance Risk Factors

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 insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence 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 claim 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 or 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 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.

Changes in Tax Legislation

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Texas Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem property tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income of the holders for federal tax purposes under existing law, statutes, regulations, published rulings, and court decisions.

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

No-Litigation Certificate

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

No Material Adverse Change

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

TAX MATTERS

Opinion

In the opinion of Coats Rose, P.C., Bond Counsel, (i) interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and (ii) the Bonds will not be treated as "specified private activity bonds," the interest on which will not be included as an alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code").

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

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Order pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purpose, and in addition, will rely on representations by the District and the Initial Purchaser with respect to matters solely within the knowledge of the District and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Order or if the foregoing representations or report should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received, or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Except as stated above, Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

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

Federal Income Tax Accounting Treatment of Original Issue Discount

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") is less than the stated redemption price at maturity. In such case, under existing law, and based upon the assumptions hereinafter stated (a) the difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

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 Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Official Statement.)

The foregoing is based on the assumptions that (a) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the inside cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon 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 plus 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 Bond.

The federal income tax consequences of the purchase, ownership, and 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 interest accrued upon redemption, sale or other disposition of such Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership and redemption, sale or other disposition of such 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.

Interest on the Bonds will be includable as an adjustment for "adjusted current earnings" to calculate the alternative minimum tax imposed on corporations by section 55 of the Code.

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

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed $10,000,000.

The District designated the Bonds as "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

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

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT" (except under the subheading "Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A – Audited Financial Statements of the District." 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. Any financial statements provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audited financial statements are 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 current fiscal year end is 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 the MSRB of the change.

Event Notices

The District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR §240.15c2-12 (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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, 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 makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide 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 material 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 Developer, but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also amend or repeal the agreement if the United States Securities and Exchange Commission amends or repeals the applicable provisions of such rule or a court of final jurisdiction determines that such provisions are invalid, but in either case only to the extent that its right to do so would not prevent the Initial Purchaser from lawfully purchasing the Bonds in the offering described herein. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the 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

During the last five years, the District has no known failures to comply in all material respects with any continuing disclosure undertaking in accordance with the Rule.

SOURCES OF INFORMATION

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Developer, the Tax Assessor/Collector, the Hays Central Appraisal District, the Travis Central Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, orders 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.

Experts

Bond Counsel has reviewed the information appearing in this Official Statement under the captions "SALE AND DISTRIBUTION OF THE BONDS – Securities Law," "THE BONDS," "TAXING PROCEDURES," "THE DISTRICT – General," "LEGAL MATTERS – Legal Opinions," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION." Bond Counsel has reviewed the information under the aforementioned sections solely to determine whether such information fairly summarizes the law or documents referred to in such sections. Bond Counsel has not independently verified other factual information contained in this Official Statement nor 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 the limited participation of such firm as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

The information contained in this Official Statement relating to engineering and to the description of the Road and Utility Systems generally and, in particular, the engineering information included in the sections captioned "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 development and the status of development within the District generally and, in particular, the information in the section captioned "THE DEVELOPER," "DEVELOPMENT STATUS OF THE DISTRICT" and "SUNFIELD" has been provided by the Development Manager on behalf of the Developer and has been included herein in reliance upon their authority and knowledge of such party concerning the matters described therein.

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 by the Hays Central Appraisal District, Travis Central Appraisal District and the District's Tax Assessor/Collector, 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

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

Updating the Official Statement

For the period beginning on the date of the award of the sale of the Bonds to the Initial Purchaser and ending on the ninety-first (91st) day after the "end of the underwriting period" (as defined in Rule 15c2-12(f)(2) of the SEC), if any event shall occur of which the District has knowledge and as a result of which it is necessary to amend or supplement this Official Statement in order to make the statements herein, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, not materially misleading, the District will promptly notify the Initial Purchaser of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements hereto, so that the statements in this Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, be materially misleading. The District assumes no responsibility for supplementing this Official Statement thereafter.

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 Sunfield Municipal Utility District No. 1 as of the date shown on the first page hereof.

/s/ Steve Sogar
President, Board of Directors
Sunfield Municipal Utility District No. 1

ATTEST:

/s/ Miklos Gaal
Secretary, Board of Directors
Sunfield Municipal Utility District No. 1

APPENDIX A

Audited Financial Statements of the District

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

HAYS AND TRAVIS COUNTIES, TEXAS

ANNUAL AUDIT REPORT

SEPTEMBER 30, 2025

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Mark C. Eyring, CPA, PLLC

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February 24, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sunfield Municipal
Utility District No. 1
Hays and Travis Counties, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sunfield Municipal Utility District No. 1 as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Sunfield Municipal Utility District No. 1's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sunfield Municipal Utility District No. 1, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Sunfield Municipal Utility District No. 1, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Sunfield Municipal Utility District No. 1'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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 Sunfield Municipal Utility District No. 1's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunfield Municipal Utility District No. 1's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 budgetary comparison information 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sunfield Municipal Utility District No. 1's basic financial statements. The supplementary information on Pages 25 to 52 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.



Management's Discussion and Analysis

Using this Annual Report

Within this section of the Sunfield Municipal Utility District No. 1 (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2025.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of sewer, drainage and road services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets and liabilities owned by the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Although the statement of activities looks different from a commercial enterprise's income statement, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as *change in net position*, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water and sewer systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's' activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures for water, sewer and drainage facilities from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and service revenues and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to levy the taxes necessary to pay the fiscal year debt service requirements plus the cost of levying and collecting taxes, leaving the appropriate fund balance as recommended by the District's financial advisor. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2025	2024	Change
Current and other assets	$ 5,997,684	$ 7,093,196	$ (1,095,512)
Capital assets	26,954,013	17,070,236	9,883,777
Total assets	32,951,697	24,163,432	8,788,265
Long-term liabilities	51,469,381	44,237,626	7,231,755
Other liabilities	1,687,540	1,682,842	4,698
Total liabilities	53,156,921	45,920,468	7,236,453
Net position:			
Invested in capital assets, net of related debt	(25,954,814)	(28,537,449)	2,582,635
Restricted	3,633,793	3,459,619	174,174
Unrestricted	2,115,797	3,320,794	(1,204,997)
Total net position	$ (20,205,224)	$ (21,757,036)	$ 1,551,812

Summary of Changes in Net Position

	2025	2024	Change
Revenues:			
Property and contract taxes, including related penalty and interest	$ 5,243,238	$ 4,766,691	$ 476,547
Other revenues	330,273	362,899	(32,626)
Total revenues	5,573,511	5,129,590	443,921
Expenses:			
Service operations	1,162,188	10,963,233	(9,801,045)
Debt service	2,859,511	1,870,749	988,762
Total expenses	4,021,699	12,833,982	(8,812,283)
Change in net position	1,551,812	(7,704,392)	9,256,204
Net position, beginning of year	(21,757,036)	(14,052,644)	(7,704,392)
Net position, end of year	$ (20,205,224)	$ (21,757,036)	$ 1,551,812

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2025, were $5,850,084, a decrease of $1,045,157 from the prior year.

The General Fund balance decreased by $1,211,523, primarily due to the reimbursement of the District's share of road costs.

The Debt Service Fund balance increased by $139,358, in accordance with the District's financial plan.

The Capital Projects Fund balance increased by $27,008 as interest earnings on deposits and investments exceeded authorized expenditures.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A detailed comparison of budgeted and actual revenues and expenditures is presented on Page 24 of this report. The budgetary fund balance as of September 30, 2025, was expected to be $3,706,483 and the actual end of year fund balance was $2,106,299.

Capital Asset and Debt Administration

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized as follows:

	Capital Assets (Net of Accumulated Depreciation)		
	2025	2024	Change
Land and detention ponds	$ 6,490,640	$ 6,490,640	$ 0
Construction in progress	11,460,000	2,787,031	8,672,969
Roads	2,973,041	1,606,211	1,366,830
Drainage facilities	6,030,332	6,186,354	(156,022)
Totals	$ 26,954,013	$ 17,070,236	$ 9,883,777

Changes to capital assets during the fiscal year ended September 30, 2025, are summarized as follows:

Additions:	
Roads and utilities constructed by developer	$ 10,108,198
Decreases:	
Depreciation	(224,421)
Net change to capital assets	$ 9,883,777

Debt

Subsequent to September 30, 2025, the District issued its $6,640,000 Series 2025 unlimited tax utility bonds on October 30, 2025.

Changes in the bonded debt position of the District during the fiscal year ended September 30, 2025, are summarized as follows:

Bonded debt payable, beginning of year	$ 43,295,000
Bonds paid	(1,410,000)
Bonded debt payable, end of year	$ 41,885,000

At September 30, 2025, the District had $0 unlimited tax bonds authorized but unissued for road purposes; $18,780,000 authorized but unissued for water, sanitary sewer and drainage purposes; and $5,995,000 authorized but unissued for park and recreation facilities.

The District's bonds have an underlying rating of A3 from Moody's. The Series 2016 refunding and 2017 utility bonds are insured by Build America Mutual Assurance Company. The Series 2018 utility, 2018 road, 2019 refunding, 2019 utility, 2021 refunding, 2023 utility, 2024 utility and 2024 road bonds are insured by Assured Guaranty Municipal Corp. The issue rating of the 2016 refunding and 2017 utility bonds is A1 by Moody's. The insured rating of the Series 2018 utility, 2018 road, 2019 refunding, 2019 utility, 2021 refunding, 2023 utility, 2024 utility and 2024 road bonds is A1 by Moody's. The insured rating of the 2016, 2017, 2018 utility, 2018 road, 2019 refunding, 2019 utility, 2021 refunding, 2023 utility, 2024 utility and 2024 road bonds is AA by Standard & Poor's. There were no changes in the bond ratings during the fiscal year ended September 30, 2025.

As further described in Note 5 of the Notes to the Financial Statements, the District has substantial contingent obligations to its developer for funds advanced on behalf of the District and for contractual obligations to other governmental entities. At September 30, 2025, the estimated amount due to the developer was $11,460,000. In addition, the developer has been advancing funds for the construction of Master District Facilities and for debt service and water reservation fees payable to the Guadalupe-Blanco River Authority. At September 30, 2025, the Master District's bonded debt and amounts due to the developer was approximately $66,220,000 and $2,830,000, respectively.

ADDITIONAL RELEVANT FACTORS

Property Tax Base

The District's tax base increased approximately $69,555,000 for the 2024 tax year (about 13%), primarily due to the addition of new houses to the tax base.

Relationship to the City of Buda

Under existing Texas law, since the District lies partially within the extraterritorial jurisdiction of the City of Buda, the District must conform to a City of Buda ordinance consenting to the creation of the District. In addition, the District may be annexed by the City of Buda. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

Effective September 19, 2006, the District and the City of Buda entered into a Strategic Partnership Agreement ("SPA"), whereby the City of Buda annexed certain commercial areas of the District for the limited purposes of applying certain city planning, zoning, health and safety ordinances in the area annexed for limited purposes. Effective September 19, 2006, the District and the developer entered into an Economic Development Agreement ("EDA") whereby the parties set for the terms and conditions of performance based economic development grant payments contemplated by the SPA to be made to the developer for the development and construction of certain infrastructure (the "Infrastructure"). Under the terms of the SPA and the EDA (hereinafter collective the "Agreements") the City of Buda will impose a one percent (1%) sales tax in the areas annexed for limited purposes. The Agreements provide that the City of Buda will pay the developer twenty five percent (25%) of the revenues collected by the City of Buda within the limited purpose annexed property, if the Infrastructure has been completed as outlined in the Agreements. In addition, the City of Buda has agreed that it will not annex the District for full purposes (a traditional annexation) until the earlier of thirty years from the effective date of the SPA or upon completion of and issuance of District bonds for 90% of utility infrastructure necessary for the District.

In conjunction with granting its consent to the creation of the District, the City of Buda and the District entered into an agreement which provides that the City must review and approve each issuance of bonds by the District. In the event the developer is in breach of certain agreements with the City, the City may refuse to grant such consent until satisfactory arrangements are made with the City. The City has consented to the issuance of the issued bonds

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2025

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	$ 25,861	$	$	$ 25,861	$	$ 25,861
Certificates of deposits, at cost, Note 7	705,000			705,000		705,000
Temporary investments, at cost, Note 7	1,286,409	3,094,062	647,430	5,027,901		5,027,901
Receivables:						
Property taxes	5,022	16,615		21,637		21,637
Contract taxes		4,476		4,476		4,476
Accrued interest	7,805			7,805		7,805
Other			2,000	2,000		2,000
Prepaid expenditures	37,429			37,429		37,429
Due from other funds		293		293	(293)	0
Operating reserve at Master District, Note 9	165,575			165,575		165,575
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	17,950,640	17,950,640
Depreciable capital assets				0	9,003,373	9,003,373
Total assets	$2,233,101	$3,115,446	$ 649,430	$ 5,997,977	26,953,720	32,951,697
LIABILITIES						
Accounts payable	$ 121,487	$	$	$ 121,487		121,487
Accrued interest payable				0	126,607	126,607
Due to other fund	293			293	(293)	0
Long-term liabilities, Note 5:						
Due within one year				0	1,439,446	1,439,446
Due in more than one year				0	51,469,381	51,469,381
Total liabilities	121,780	0	0	121,780	53,035,141	53,156,921
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	5,022	16,615		21,637	(21,637)	0
Contract tax revenues		4,476		4,476	(4,476)	0
Total deferred inflows of resources	5,022	21,091	0	26,113	(26,113)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable:						
Operating reserve at Master District, Note 9	165,575			165,575	(165,575)	0
Assigned to:						
Debt service		3,094,355		3,094,355	(3,094,355)	0
Capital projects			649,430	649,430	(649,430)	0
Unassigned	1,940,724			1,940,724	(1,940,724)	0
Total fund balances	2,106,299	3,094,355	649,430	5,850,084	(5,850,084)	0
Total liabilities, deferred inflows, and fund balances	$2,233,101	$3,115,446	$ 649,430	$ 5,997,977		
Net position:						
Invested in capital assets, net of related debt, Note 4					(25,954,814)	(25,954,814)
Restricted for debt service					2,984,363	2,984,363
Restricted for capital projects					649,430	649,430
Unrestricted					2,115,797	2,115,797
Total net position					$ (20,205,224)	$(20,205,224)

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

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 1,052,912	$ 2,948,623	$	$ 4,001,535	$ 7,522	$ 4,009,057
Contract taxes		1,233,337		1,233,337	2,384	1,235,721
Penalty, interest and other	1,492	2,936		4,428		4,428
Interest on deposits and investments	106,457	190,228	27,620	324,305		324,305
Total revenues	1,160,861	4,375,124	27,620	5,563,605	9,906	5,573,511
EXPENDITURES / EXPENSES						
Service operations:						
Purchased services	637,360			637,360		637,360
Professional fees	110,730			110,730		110,730
Contracted services	91,521			91,521		91,521
Utilities	15,739			15,739		15,739
Repairs, maintenance and other operating expenditures	26,199			26,199		26,199
Administrative expenditures	23,804		612	24,416		24,416
Depreciation				0	224,421	224,421
Capital outlay / non-capital outlay	1,435,229			1,435,229	(1,435,229)	0
Debt service:						
Principal retirement		1,410,000		1,410,000	(1,410,000)	0
Contractual obligation		1,250,193		1,250,193		1,250,193
Interest and fees	31,802	1,575,573		1,607,375	33,745	1,641,120
Total expenditures / expenses	2,372,384	4,235,766	612	6,608,762	(2,587,063)	4,021,699
Excess (deficiency) of revenues over expenditures	(1,211,523)	139,358	27,008	(1,045,157)	2,596,969	1,551,812
Net change in fund balances / net position	(1,211,523)	139,358	27,008	(1,045,157)	2,596,969	1,551,812
Beginning of year	3,317,822	2,954,997	622,422	6,895,241	(28,652,277)	(21,757,036)
End of year	$ 2,106,299	$ 3,094,355	$ 649,430	$ 5,850,084	$(26,055,308)	$(20,205,224)

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

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

NOTE 1: REPORTING ENTITY

Sunfield Municipal Utility District No. 1 (the "District") was created by an order of the Texas Commission on Environmental Quality (the “TCEQ”) dated June 27, 2005 as Winfield Municipal Utility District No. 1 of Hays and Travis Counties. By order of the TCEQ dated April 10, 2006, the name of the District was changed to Sunfield Municipal Utility District No. 1. The District operates accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on November 1, 2005, and the first bonds were sold on July 27, 2011. The District is subject to the continuing supervision of the TCEQ.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. In addition, pursuant to V.T.C.A. Special District Code, Chapter 8200, the District is authorized to construct, acquire, improve, maintain or operate roads located within or outside its boundaries. In addition, the District is empowered, if approved by the electorate, the TCEQ and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Plant and equipment	10-45 years
Underground lines	45 years
Roads	45 years

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the fund from which they are paid.

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 5,850,084
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total capital assets, net		26,954,013
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (41,885,000)	
Deferred charge on refunding (to be amortized as interest expense)	162,719	
Issuance discount (to be amortized as interest expense)	273,454	
Due to developer for construction	(11,460,000)	(52,908,827)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Uncollected property taxes	21,637	
Uncollected contract taxes	4,476	26,113
Some liabilities that do not require the use of current financial resources are not reported as liabilities in the funds:		
Accrued interest		(126,607)
Net position, end of year		$(20,205,224)

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		$ (1,045,157)
The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	$ 1,435,229	
Depreciation	(224,421)	1,210,808
The issuance of long-term debt (bonds payable) provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:		
Principal reduction		1,410,000
The funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:		
Refunding charges	(27,797)	
Issuance discounts, net of premiums	(10,376)	(38,173)
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:		
Uncollected property taxes	7,522	
Uncollected contract taxes	2,384	9,906
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Accrued interest		4,428
Change in net position		$ 1,551,812

NOTE 4: CAPITAL ASSETS

At September 30, 2025, “Invested in capital assets, net of related debt” was $(25,954,814). This amount was negative primarily because not all expenditures from bond proceeds (such as bond issuance costs) were for the acquisition of capital assets. Due to contractual obligations, other governmental entities may assume the maintenance and other incidents of ownership of certain water and sewer facilities constructed by the District. In addition, some expenditures from bond proceeds were for the acquisition of capital assets beneath the capitalization threshold of $5,000 (see Note 2) and some authorized expenditures were not for capital assets.

Capital asset activity for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and detention ponds	$ 6,490,640	$	$	$ 6,490,640
Construction in progress	2,787,031	10,108,198	1,435,229	11,460,000
Total capital assets not being depreciated	9,277,671	10,108,198	1,435,229	17,950,640
Depreciable capital assets:				
Roads	1,642,716	1,435,229		3,077,945
Drainage system	7,021,037			7,021,037
Total depreciable capital assets	8,663,753	1,435,229	0	10,098,982
Less accumulated depreciation for:				
Roads	(36,505)	(68,399)		(104,904)
Drainage system	(834,683)	(156,022)		(990,705)
Total accumulated depreciation	(871,188)	(224,421)	0	(1,095,609)
Total depreciable capital assets, net	7,792,565	1,210,808	0	9,003,373
Total capital assets, net	$ 17,070,236	$ 11,319,006	$ 1,435,229	$ 26,954,013

Changes to capital assets:		
Capital outlay	$ 1,435,229	$
Increase in estimated value of developer construction	10,108,198	
Capital outlay paid (decrease in liability) to developers	(1,435,229)	
Assets transferred to depreciable assets	1,435,229	1,435,229
Less depreciation expense for the fiscal year	(224,421)	
Net increases / decreases to capital assets	$ 11,319,006	$ 1,435,229

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Subsequent to September 30, 2025, the District issued its $6,640,000 Series 2025 unlimited tax utility bonds on October 30, 2025.

Long-term liability activity for the fiscal year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	$ 43,295,000	$	$ 1,410,000	$ 41,885,000	$ 1,475,000
Less deferred amounts:					
For issuance (discounts) premiums	(283,830)		(10,376)	(273,454)	(4,223)
For refunding gains (charges)	(190,516)		(27,797)	(162,719)	(31,331)
Total bonds payable	42,820,654	0	1,371,827	41,448,827	1,439,446
Due to developer for construction (see below)	2,787,031	10,108,198	1,435,229	11,460,000	----------
Total long-term liabilities	$ 45,607,685	$ 10,108,198	$ 2,807,056	$ 52,908,827	$ 1,439,446

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Road bonds voted	$ 21,660,000
Road bonds approved for sale and sold	21,660,000
Road bonds voted and not issued	0
Water, sewer and drainage bonds voted	48,990,000
Water, sewer and drainage bonds approved for sale and sold	30,210,000
Water, sewer and drainage bonds voted and not issued	18,780,000
Parks and recreation bonds voted	5,995,000
Parks and recreation bonds voted and not issued	5,995,000

In accordance with the Series 2024 utility Bond Orders, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest. This bond interest reserve is reduced as the interest is paid. Transactions for the current year are summarized as follows:

Bond interest reserve, beginning of year	$ 124,231
Appropriation for bond interest paid	(124,231)
Bond interest reserve, end of year	$ 0

As of September 30, 2025, the debt service requirements on the bonds payable were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,475,000	$ 1,519,276	$ 2,994,276
2027	1,530,000	1,472,240	3,002,240
2028	1,575,000	1,423,371	2,998,371
2029	1,645,000	1,370,716	3,015,716
2030	1,715,000	1,314,475	3,029,475
2031 - 2035	9,620,000	5,617,095	15,237,095
2036 - 2040	10,425,000	3,821,026	14,246,026
2041 - 2045	8,555,000	2,019,824	10,574,824
2046 - 2050	5,345,000	524,306	5,869,306
	$ 41,885,000	$ 19,082,329	$ 60,967,329

The bond issues payable at September 30, 2025, were as follows:

	Series 2014 Road	Series 2015 Road	Refunding Series 2016 Road
Amounts outstanding, September 30, 2025	$2,445,000	$1,680,000	$3,150,000
Interest rates	3.25% to 4.00%	3.30% to 4.00%	4.00%
Maturity dates, serially beginning/ending	September 1, 2026/2039	September 1, 2026/2039	September 1, 2026/2035
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2023*	September 1, 2023*	September 1, 2023*

*Or any date thereafter, callable at the principal amount plus accrued interest, in whole or in part at the option of the District.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Series 2017 Utility	Series 2018 Utility	Series 2018 Road
Amounts outstanding, September 30, 2025	$4,425,000	$4,940,000	$965,000
Interest rates	3.00% to 3.75%	3.00% to 4.00%	3.75% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2026/2042	September 1, 2026/2043	September 1, 2026/2043
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2024*	September 1, 2023*	September 1, 2023*

	Refunding Series 2019	Series 2019 Utility	Refunding Series 2021
Amounts outstanding, September 30, 2025	$3,065,000	$5,730,000	$1,705,000
Interest rates	3.00%	2.00% to 3.00%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2026/2038	September 1, 2026/2044	September 1, 2026/2038
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2027*	September 1, 2025*	September 1, 2026*

	Series 2023 Utility	Series 2024 Utility	Series 2024 Road
Amounts outstanding, September 30, 2025	$5,500,000	$5,945,000	$2,335,000
Interest rates	4.00% to 4.125%	4.00% to 5.00%	4.25% to 6.00%
Maturity dates, serially beginning/ending	September 1, 2043/2048	September 1, 2026/2050	September 1, 2039/2043
Interest payment dates	March 1/September 1	March 1/September 1	March 1/September 1
Callable dates	September 1, 2028*	September 1, 2030*	September 1, 2030*

*Or any date thereafter, callable at the principal amount plus accrued interest, in whole or in part at the option of the District.

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.

Developer Construction Commitments, Liabilities and Advances

The developer within the District has constructed certain underground facilities within the District's boundaries. The District has agreed to reimburse the developer for these construction and related engineering costs plus interest not to exceed the interest rate of the applicable District bond issue. These amounts are to be reimbursed from the proceeds of future bond issues to the extent approved by the Texas Commission on Environmental Quality. The developer stated that unreimbursed cost of the construction in progress at September 30, 2025, was $11,460,000. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5.

Master District

The District is part of the master-planned community of "Sunfield." Sunfield is comprised of the District, Sunfield Municipal Utility District No. 2, Sunfield Municipal Utility District No. 3, and Sunfield Municipal Utility District No. 4 ("SMUD No. 4"), collectively, the "Participants." On April 23, 2007, the District executed a "Contract for Financing, Operation of Regional Waste Collection Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities" ("Master District Contract') with SMUD No. 4 in its capacity as the "Master District."

Pursuant to the contract, the Master District will provide the regional water, sanitary sewer and drainage facilities and capacities ("Master District Facilities") and each Participant will pay its pro rata share of such cost. Each Participant is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. From time to time, the Master District will issue its Contract Revenue Bonds, and each Participant will pay a portion of the debt service thereon based upon the amount of ad valorem tax base located within its boundaries. The District is obligated to pay its pro rata share from the proceeds of a Contract Tax for such purpose, or from any other legally available funds of the District.

On September 17, 2024, the Master District levied a contract tax of $0.205 per $100 assessed valuation on participant districts for tax year 2024. Contract taxes levied and collected during the fiscal year ended September 30, 2025 were:

Sunfield MUD No. 1	$ 1,250,193
Sunfield MUD No. 3	2,051,527
Sunfield MUD No. 4	366,215
	$ 3,667,935

As of September 30, 2025, the Master District Contract Revenue Bonds debt service requirements on the bonds payable were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,535,000	$ 2,663,379	$ 4,198,379
2027	1,745,000	2,577,662	4,322,662
2028	1,815,000	2,481,687	4,296,687
2029	1,900,000	2,392,055	4,292,055
2030	1,980,000	2,305,881	4,285,881
2031 - 2035	11,285,000	10,265,005	21,550,005
2036 - 2040	13,990,000	7,962,224	21,952,224
2041 - 2045	17,370,000	5,045,833	22,415,833
2046 - 2050	14,140,000	1,508,057	15,648,057
2051	460,000	22,425	482,425
	$ 66,220,000	$ 37,224,208	$ 103,444,208

Bonds issued by the District and the Master District for water, sewer and drainage facilities are subject to prior approval by the Texas Commission on Environmental Quality ("TCEQ"). Such agency has in place certain "economic feasibility rules" which for districts located in Hays and Travis Counties limits the amount of bonds which can be issued to an amount that can be amortized with a tax rate not exceeding $1.20 per $100 valuation, including all other obligations of the issuer secured by ad valorem taxes. Bonds to be issued by the District for roads are not currently 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.

The developer has been advancing funds for the construction of Master District Facilities and for debt service and water reservation fees payable to the GBRA. At September 30, 2025, the developer's records indicate that the Master District owes the developer approximately $2,830,000 for these purposes. The allocation of the amount due to the developer to the participant districts has not been determined.

NOTE 6: PROPERTY TAXES

The Hays Central Appraisal District and Travis Central Appraisal District have the responsibility for appraising property for all taxing units within the respective counties as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

The Bond Orders require that the District 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.

At an election held May 12, 2007, the voters within the District authorized a maintenance tax not to exceed $1.00 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District. There is no tax limitation on the rate or amount of taxes that can be levied to (1) pay debt service on wastewater and drainage bonds; (2) to pay debt service on road bonds; (3) to pay debt service on parks and recreation facilities bonds; (4) to satisfy its contractual obligations to the Master District; and (5) to satisfy its contractual obligations to the GBRA.

On October 4, 2024, the District levied the following ad valorem taxes for the 2024 tax year on the adjusted taxable valuation of $585,613,496:

	Rate	Amount
Debt service	$ 0.4900	$ 2,952,994
Maintenance	0.1750	1,054,641
Contract	0.2050	1,235,436
	$ 0.8700	$ 5,243,071

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2024 tax year total property and contract tax levy	$ 5,243,071
Appraisal district adjustments to prior year taxes	1,707
Statement of Activities property tax revenues	$ 5,244,778

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions and an authorized private sector investment pool. The private sector investment pool is rated AAAm by Standard & Poor's.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in the authorized private sector investment pool was $5,027,901.

Deposits restricted by state statutes and the Bond Orders:

Debt Service Fund

For payment of debt principal and interest, paying agent fees and costs of assessing and collecting taxes:

Temporary investments	$ 3,094,062

Capital Projects Fund

For construction of capital assets:

Temporary investments	$ 647,430

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2025, the District had comprehensive general liability coverage with a per occurrence limit of $1,000,000 and $3,000,000 general aggregate, pollution liability coverage of $1,000,000 and consultant's crime coverage of $10,000.

NOTE 9: CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES

Master District Contract

The District is part of the master-planned community of "Sunfield." Sunfield is comprised of the District, Sunfield Municipal Utility District No. 2, Sunfield Municipal Utility District No. 3, and Sunfield Municipal Utility District No. 4 ("SMUD No. 4"), collectively, the "Participants." On April 23, 2007, the District executed a "Contract for Financing, Operation of Regional Waste Collection Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities" ("Master District Contract') with SMUD No. 4 in its capacity as the "Master District."

Pursuant to the contract, the Master District will provide the regional water, sanitary sewer and drainage facilities and capacities ("Master District Facilities") and each Participant will pay its pro rata share of such cost. Each Participant is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. From time to time, the Master District will issue its Contract Revenue Bonds, and each Participant will pay a portion of the debt service thereon based upon the amount of ad valorem tax base located within its boundaries. The District is obligated to pay its pro rata share from the proceeds of a Contract Tax for such purpose, or from any other legally available funds of the District. The Master District has not issued any Contract Revenue Bonds. See Note 5 for a further discussion of the obligations of the District regarding the construction costs of the Master District Facilities.

The District is further obligated to pay monthly charges for water and sewer services rendered pursuant to the Master District Contract. Participants will be billed monthly by the Master District for (1) the pro rata share of the Master District's monthly operation and maintenance expense, based upon usage or the number of equivalent single family residential customers, whichever is appropriate and (2) any costs incurred by the Master District for the operation and maintenance of the District's facilities. Each Participant will also be credited for the revenues earned by the Master District for services to customers within the Participant's boundaries. If, at the end of a fiscal year, revenues generated by customers in the Participant's boundaries exceed the costs of operating and maintaining the Master District and Participant facilities, the Master District will refund the surplus revenues or credit the Participant for the amount in the next fiscal year. During the year ended September 30, 2025, the District incurred operating costs of $637,360 for services provided by the Master District.

The contact authorizes the establishment of an operating and maintenance reserve by the Master District equal to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. The Master District may adjust the reserve as needed, not less than annually. As of September 30, 2025, the Master District had contributed $165,575 of the Master District's $464,890 operating reserve.

Agreements Regarding Wholesale Water Supply and Wastewater Treatment

The Master District is a party to various agreements with the Guadalupe-Blanco River Authority ("GBRA") pursuant to which the Master District has acquired a supply of water and the transportation of such water to Sunfield. Pursuant to such agreements, the Master District is reserving untreated water, paying for the costs of treating water and its pro rata share of the annual debt service on certain water treatment facilities and water trunklines conveying water to Sunfield. As an obligation of the Master District, such payments are secured by the unlimited ad valorem taxing authority of each of the Participants. Such payments are currently being made with monies advanced to the Master District by the developer (see Note 5).

The Master District has entered into a Wastewater Operating Agreement pursuant to which the GBRA operates the 250,000 gpd wastewater treatment plant serving Sunfield.

Water Utility Service Agreement

On October 1, 2007, amended and restated February 15, 2012 (as amended July 7, 2015, August 22, 2018, June 30, 2020, January 1, 2021, April 30, 2021 and August 22, 2023), the District and Sunfield Municipal Utility District Nos. 3 and 4 entered into a water utility service agreement with Goforth Special Utility District ("Goforth"). The agreement provides that each of the Participants is responsible for the acquisition and construction of all internal facilities necessary for the distribution of water to retail customers within its boundaries. As these facilities are acquired or constructed, the facilities will be conveyed to Goforth. Retail water service will be provided to customers in each district by Goforth in accordance with its standard rates.

Billing and Collection Agreement

On February 15, 2012, the Master District entered into a billing and collection agreement with Goforth. The agreement provides that Goforth will serve as agent for the Master District for the purposes of billing and collecting sanitary sewer charges for water customers of Goforth who: (1) are recipients of sanitary sewer service from the Master District; (2) are located within certain property within the Sunfield districts, and any other areas mutually agreed to by Goforth and the Master District in the future; and (3) have executed a sanitary sewer service agreement with the Master District. Retail sewer service will be billed to customers in each district by Goforth in accordance with in accordance with the Master District's rate order.

During the year ended September 30, 2021, the District and Sunfield Municipal Utility District Nos. 3 and 4 assigned all their rights, liabilities and obligations under and pursuant to the agreement to the GBRA.

NOTE 10: STRATEGIC PARTNERSHIP AND ECONOMIC DEVELOPMENT AGREEMENTS

Effective September 19, 2006, the District and the City of Buda entered into a Strategic Partnership Agreement ("SPA"), whereby the City of Buda annexed certain commercial areas of the District for the limited purposes of applying certain city planning, zoning, health and safety ordinances in the area annexed for limited purposes. Effective September 19, 2006, the District and the developer entered into an Economic Development Agreement ("EDA") whereby the parties set for the terms and conditions of performance based economic development grant payments contemplated by the SPA to be made to the developer for the development and construction of certain infrastructure (the "Infrastructure"). Under the terms of the SPA and the EDA (hereinafter collective the "Agreements") the City of Buda will impose a one percent (1%) sales tax in the areas annexed for limited purposes. The Agreements provide that the City of Buda will pay the developer twenty five percent (25%) of the revenues collected by the City of Buda within the limited purpose annexed property, if the Infrastructure has been completed as outlined in the Agreements. In addition, the City of Buda has agreed that it will not annex the District for full purposes (a traditional annexation) until the earlier of thirty years from the effective date of the SPA or upon completion of and issuance of District bonds for 90% of utility infrastructure necessary for the District.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 1,045,489	$ 1,045,489	$ 1,052,912	$ 7,423
Penalty and other	500	500	1,492	992
Interest on deposits and investments	100,010	100,010	106,457	6,447
TOTAL REVENUES	1,145,999	1,145,999	1,160,861	14,862
EXPENDITURES				
Service operations:				
Purchased services	410,828	410,828	637,360	226,532
Professional fees	125,000	125,000	110,730	(14,270)
Contracted services	95,600	95,600	91,521	(4,079)
Utilities	30,500	30,500	15,739	(14,761)
Repairs, maintenance and other operating expenditures	58,000	58,000	26,199	(31,801)
Administrative expenditures	32,410	32,410	23,804	(8,606)
Interest	0	0	31,802	31,802
Capital outlay	5,000	5,000	1,435,229	1,430,229
TOTAL EXPENDITURES	757,338	757,338	2,372,384	1,615,046
EXCESS REVENUES (EXPENDITURES)	388,661	388,661	(1,211,523)	(1,600,184)
FUND BALANCE, BEGINNING OF YEAR	3,317,822	3,317,822	3,317,822	0
FUND BALANCE, END OF YEAR	$ 3,706,483	$ 3,706,483	$ 2,106,299	$ (1,600,184)

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SEPTEMBER 30, 2025

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[X] TSI-3. Temporary Investments

[X] TSI-4. Taxes Levied and Receivable

[X] TSI-5. Long-Term Debt Service Requirements by Years

[X] TSI-6. Changes in Long-Term Bonded Debt

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2025

1. Services Provided by the District during the Fiscal Year:

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

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

__ Other

2. Retail Service Providers

   a. Retail Rates for a 5/8" meter (or equivalent) (Rates from Master District Rate Order):

      Not Applicable. See Note 9 of the Notes to the Financial Statements.

   b. Water and Wastewater Retail Connections:

      Not Applicable. See Note 9 of the Notes to the Financial Statements.

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

   Not Applicable. See Note 9 of the Notes to the Financial Statements.

4. Standby Fees (authorized only under TWC Section 49.231):

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

   If yes, date of the most recent Commission Order: _____

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

   If yes, date of the most recent Commission Order: _____

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Purchased services	$ 637,360	$ 0	$ 0	$ 637,360
Professional fees:				
Auditing	15,950			15,950
Legal	65,826			65,826
Engineering	28,954			28,954
	110,730	0	0	110,730
Contracted services:				
Bookkeeping	53,866			53,866
Tax assessor-collector	315			315
Appraisal district	37,340			37,340
	91,521	0	0	91,521
Utilities	15,739	0	0	15,739
Repairs, maintenance and other operating expenditures	26,199	0	0	26,199
Administrative expenditures:				
Director's fees	7,956			7,956
Office supplies and postage	1,807			1,807
Insurance	4,799			4,799
Other	9,242		612	9,854
	23,804	0	612	24,416
CAPITAL OUTLAY				
Authorized expenditures	1,435,229	0	0	1,435,229
DEBT SERVICE				
Principal retirement	0	1,410,000	0	1,410,000
Contractual obligation	0	1,250,193	0	1,250,193
Interest and fees:				
Interest	31,802	1,570,473		1,602,275
Paying agent fees		5,100		5,100
	31,802	1,575,573	0	1,607,375
TOTAL EXPENDITURES	$ 2,372,384	$ 4,235,766	$ 612	$ 6,608,762

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash receipts from revenues excluding maintenance taxes	$ 143,105	$ 4,375,124	$ 25,620	$ 4,543,849
Maintenance tax receipts		1,052,912		1,052,912
Reimbursement from other fund	57,425			57,425
Transfer of maintenance taxes	1,054,338			1,054,338
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	1,254,868	5,428,036	25,620	6,708,524
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	952,543		612	953,155
Capital outlay	1,435,229			1,435,229
Debt service	31,802	2,985,573		3,017,375
Contractual obligation		1,250,193		1,250,193
Prepaid expenditures	37,429			37,429
Increase in operating reserve at Master District	25,767			25,767
Reimbursement to other fund			57,425	57,425
Transfer of maintenance taxes		1,054,338		1,054,338
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	2,482,770	5,290,104	58,037	7,830,911
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	(1,227,902)	137,932	(32,417)	(1,122,387)
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	3,245,172	2,956,130	679,847	6,881,149
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	$ 2,017,270	$ 3,094,062	$ 647,430	$ 5,758,762

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

SCHEDULE OF CERTIFICATES OF DEPOSIT AND TEMPORARY INVESTMENTS

SEPTEMBER 30, 2025

	Interest Rate	Maturity Date	Year End Balance	Accrued Interest Receivable
GENERAL FUND				
Certificates of Deposit				
No. 6161	4.00%	1/12/26	$ 235,000	$ 2,060
No. 9168	4.15%	7/15/26	235,000	2,057
No. 3092	4.15%	5/15/26	235,000	3,688
			$ 705,000	$ 7,805
Texas CLASS				
No. TX-01-1285-0001	Market	On demand	$ 1,286,409	$ 0
DEBT SERVICE FUND				
Texas CLASS				
No. TX-01-1285-0002	Market	On demand	$ 1,865,352	$ 0
No. TX-01-1285-0004	Market	On demand	1,185,154	0
No. TX-01-1285-0005	Market	On demand	43,556	0
			$ 3,094,062	$ 0
CAPITAL PROJECTS FUND				
Texas CLASS				
No. TX-01-1285-0006	Market	On demand	$ 423,515	$ 0
No. TX-01-1285-0007	Market	On demand	88,316	0
No. TX-01-1285-0008	Market	On demand	135,599	0
			$ 647,430	$ 0
Total All Funds			$ 5,732,901	$ 7,805

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes	Contract Taxes	Debt Service Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 2,972	$ 2,092	$ 11,143
Additions and corrections to prior year taxes	321	285	1,101
Adjusted receivable, beginning of year	3,293	2,377	12,244
2024 ADJUSTED TAX ROLL	1,054,641	1,235,436	2,952,994
Total to be accounted for	1,057,934	1,237,813	2,965,238
Tax collections: Current tax year	(1,052,381)	(1,232,789)	(2,946,666)
Prior tax years	(531)	(548)	(1,957)
RECEIVABLE, END OF YEAR	$ 5,022	$ 4,476	$ 16,615
RECEIVABLE, BY TAX YEAR			
2018	$ 111	$	$ 894
2019	135		924
2020	232		866
2021	372		823
2022	706	623	2,407
2023	1,206	1,206	4,373
2024	2,260	2,647	6,328
RECEIVABLE, END OF YEAR	$ 5,022	$ 4,476	$ 16,615

See accompanying independent auditor's report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2024	2023	2022	2021
Land	$ 168,377,975	$ 163,966,089	$ 137,510,080	$ 87,695,480
Improvements	456,644,913	419,283,110	396,174,617	291,817,434
Personal property	61,317,762	60,172,027	44,209,325	40,634,312
Less exemptions	(100,727,154)	(127,361,781)	(123,553,582)	(46,598,290)
TOTAL PROPERTY VALUATIONS	$ 585,613,496	$ 516,059,445	$ 454,340,440	$ 373,548,936
TAX RATES PER $100 VALUATION				
Debt service tax rates	$ 0.25000	$ 0.35000	$ 0.31000	$ 0.30000
Road debt service tax rates	0.24000	0.23000	0.27000	0.32000
Master District contract tax rates	0.20500	0.16000	0.15000	0.00000
Maintenance tax rates*	0.17500	0.16000	0.17000	0.28000
TOTAL TAX RATES PER $100 VALUATION	$ 0.87000	$ 0.90000	$ 0.90000	$ 0.90000
TAX ROLLS	$ 5,243,071	$ 4,809,756	$ 4,141,631	$ 3,363,801
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	99.8 %	99.9 %	99.9 %	99.9 %

*Maximum tax rate approved by voters on May 12, 2007: $1.00

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2014 Road		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 125,000	$ 93,576	$ 218,576
2027	135,000	89,512	224,512
2028	140,000	84,788	224,788
2029	145,000	79,888	224,888
2030	155,000	74,668	229,668
2031	160,000	68,854	228,854
2032	170,000	62,654	232,654
2033	175,000	56,026	231,026
2034	185,000	49,026	234,026
2035	195,000	41,624	236,624
2036	200,000	33,824	233,824
2037	210,000	25,826	235,826
2038	220,000	17,424	237,424
2039	230,000	8,626	238,626
TOTALS	$ 2,445,000	$ 786,316	$ 3,231,316

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2015 Road		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 90,000	$ 64,761	$ 154,761
2027	90,000	61,791	151,791
2028	95,000	58,731	153,731
2029	100,000	55,406	155,406
2030	105,000	51,656	156,656
2031	110,000	47,719	157,719
2032	115,000	43,456	158,456
2033	120,000	39,000	159,000
2034	125,000	34,200	159,200
2035	135,000	29,200	164,200
2036	140,000	23,800	163,800
2037	145,000	18,200	163,200
2038	150,000	12,400	162,400
2039	160,000	6,400	166,400
TOTALS	$ 1,680,000	$ 546,720	$ 2,226,720

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2016 Refunding		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 250,000	$ 126,000	$ 376,000
2027	260,000	116,000	376,000
2028	280,000	105,600	385,600
2029	290,000	94,400	384,400
2030	305,000	82,800	387,800
2031	325,000	70,600	395,600
2032	335,000	57,600	392,600
2033	350,000	44,200	394,200
2034	370,000	30,200	400,200
2035	385,000	15,400	400,400
TOTALS	$ 3,150,000	$ 742,800	$ 3,892,800

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2017 Utility		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 185,000	$ 157,125	$ 342,125
2027	195,000	151,575	346,575
2028	200,000	145,725	345,725
2029	210,000	139,725	349,725
2030	220,000	133,425	353,425
2031	230,000	126,000	356,000
2032	235,000	118,238	353,238
2033	245,000	110,012	355,012
2034	255,000	101,438	356,438
2035	265,000	91,875	356,875
2036	275,000	81,937	356,937
2037	290,000	71,625	361,625
2038	300,000	60,750	360,750
2039	310,000	49,500	359,500
2040	325,000	37,875	362,875
2041	335,000	25,687	360,687
2042	350,000	13,125	363,125
TOTALS	$ 4,425,000	$ 1,615,637	$ 6,040,637

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2018 Utility		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 190,000	$ 191,538	$ 381,538
2027	195,000	185,838	380,838
2028	205,000	179,500	384,500
2029	215,000	172,324	387,324
2030	225,000	164,262	389,262
2031	230,000	155,824	385,824
2032	240,000	147,200	387,200
2033	250,000	137,600	387,600
2034	265,000	127,600	392,600
2035	275,000	117,000	392,000
2036	285,000	106,000	391,000
2037	300,000	94,600	394,600
2038	310,000	82,600	392,600
2039	325,000	70,200	395,200
2040	335,000	57,200	392,200
2041	350,000	43,800	393,800
2042	365,000	29,800	394,800
2043	380,000	15,200	395,200
TOTALS	$ 4,940,000	$ 2,078,086	$ 7,018,086

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2018 Road		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 35,000	$ 38,650	$ 73,650
2027	40,000	36,900	76,900
2028	40,000	35,400	75,400
2029	40,000	33,900	73,900
2030	45,000	32,400	77,400
2031	45,000	30,600	75,600
2032	45,000	28,800	73,800
2033	50,000	27,000	77,000
2034	50,000	25,000	75,000
2035	55,000	23,000	78,000
2036	55,000	20,800	75,800
2037	60,000	18,600	78,600
2038	60,000	16,200	76,200
2039	65,000	13,800	78,800
2040	65,000	11,200	76,200
2041	70,000	8,600	78,600
2042	70,000	5,800	75,800
2043	75,000	3,000	78,000
TOTALS	$ 965,000	$ 409,650	$ 1,374,650

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2019 Refunding		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 190,000	$ 91,950	$ 281,950
2027	200,000	86,250	286,250
2028	205,000	80,250	285,250
2029	210,000	74,100	284,100
2030	220,000	67,800	287,800
2031	230,000	61,200	291,200
2032	235,000	54,300	289,300
2033	245,000	47,250	292,250
2034	250,000	39,900	289,900
2035	260,000	32,400	292,400
2036	265,000	24,600	289,600
2037	270,000	16,650	286,650
2038	285,000	8,550	293,550
TOTALS	$ 3,065,000	$ 685,200	$ 3,750,200

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2019 Utility		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 230,000	$ 152,475	$ 382,475
2027	235,000	147,875	382,875
2028	240,000	143,175	383,175
2029	250,000	138,375	388,375
2030	255,000	133,063	388,063
2031	265,000	127,325	392,325
2032	275,000	120,700	395,700
2033	280,000	113,825	393,825
2034	290,000	106,825	396,825
2035	300,000	99,575	399,575
2036	305,000	91,700	396,700
2037	315,000	83,312	398,312
2038	325,000	73,863	398,863
2039	335,000	64,112	399,112
2040	345,000	54,900	399,900
2041	355,000	44,550	399,550
2042	365,000	33,900	398,900
2043	375,000	22,950	397,950
2044	390,000	11,700	401,700
TOTALS	$ 5,730,000	$ 1,764,200	$ 7,494,200

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2021 Refunding		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 50,000	$ 34,600	$ 84,600
2027	45,000	33,100	78,100
2028	30,000	32,200	62,200
2029	35,000	31,600	66,600
2030	30,000	30,900	60,900
2031	25,000	30,300	55,300
2032	25,000	29,800	54,800
2033	25,000	29,300	54,300
2034	15,000	28,800	43,800
2035	15,000	28,500	43,500
2036	460,000	28,200	488,200
2037	470,000	19,000	489,000
2038	480,000	9,600	489,600
TOTALS	$ 1,705,000	$ 365,900	$ 2,070,900

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2023 Utility		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$	$ 223,032	$ 223,032
2027		223,031	223,031
2028		223,032	223,032
2029		223,030	223,030
2030		223,032	223,032
2031		223,031	223,031
2032		223,032	223,032
2033		223,030	223,030
2034		223,032	223,032
2035		223,031	223,031
2036		223,032	223,032
2037		223,030	223,030
2038		223,032	223,032
2039		223,031	223,031
2040		223,032	223,032
2041		223,030	223,030
2042		223,032	223,032
2043	235,000	223,031	458,031
2044	640,000	213,632	853,632
2045	1,075,000	188,031	1,263,031
2046	1,125,000	145,032	1,270,032
2047	1,185,000	100,030	1,285,030
2048	1,240,000	51,150	1,291,150
TOTALS	$ 5,500,000	$ 4,712,438	$ 10,212,438

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Series 2024 Utility		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 130,000	$ 243,663	$ 373,663
2027	135,000	238,462	373,462
2028	140,000	233,063	373,063
2029	150,000	226,062	376,062
2030	155,000	218,563	373,563
2031	165,000	210,812	375,812
2032	170,000	204,213	374,213
2033	180,000	197,412	377,412
2034	185,000	190,213	375,213
2035	195,000	182,812	377,812
2036	205,000	175,013	380,013
2037	215,000	166,812	381,812
2038	225,000	158,213	383,213
2039	235,000	149,212	384,212
2040	245,000	139,813	384,813
2041	260,000	130,012	390,012
2042	270,000	119,613	389,613
2043	285,000	108,812	393,812
2044	295,000	97,413	392,413
2045	310,000	85,612	395,612
2046	325,000	73,213	398,213
2047	340,000	60,212	400,212
2048	360,000	46,613	406,613
2049	375,000	31,762	406,762
2050	395,000	16,294	411,294
TOTALS	$ 5,945,000	$ 3,703,894	$ 9,648,894

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

	Series 2024 Road		
Due During Fiscal Years Ending September 30	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$	$ 101,906	$ 101,906
2027		101,906	101,906
2028		101,907	101,907
2029		101,906	101,906
2030		101,906	101,906
2031		101,906	101,906
2032		101,906	101,906
2033		101,907	101,907
2034		101,906	101,906
2035		101,906	101,906
2036		101,906	101,906
2037		101,907	101,907
2038		101,906	101,906
2039	110,000	101,906	211,906
2040	520,000	95,307	615,307
2041	540,000	73,206	613,206
2042	570,000	50,256	620,256
2043	595,000	26,032	621,032
TOTALS	$ 2,335,000	$ 1,671,488	$ 4,006,488

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS (Continued)

SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	Annual Requirements for All Series		
	Total Principal Due	Total Interest Due	Total
2026	$ 1,475,000	$ 1,519,276	$ 2,994,276
2027	1,530,000	1,472,240	3,002,240
2028	1,575,000	1,423,371	2,998,371
2029	1,645,000	1,370,716	3,015,716
2030	1,715,000	1,314,475	3,029,475
2031	1,785,000	1,254,171	3,039,171
2032	1,845,000	1,191,899	3,036,899
2033	1,920,000	1,126,562	3,046,562
2034	1,990,000	1,058,140	3,048,140
2035	2,080,000	986,323	3,066,323
2036	2,190,000	910,812	3,100,812
2037	2,275,000	839,562	3,114,562
2038	2,355,000	764,538	3,119,538
2039	1,770,000	686,787	2,456,787
2040	1,835,000	619,327	2,454,327
2041	1,910,000	548,885	2,458,885
2042	1,990,000	475,526	2,465,526
2043	1,945,000	399,025	2,344,025
2044	1,325,000	322,745	1,647,745
2045	1,385,000	273,643	1,658,643
2046	1,450,000	218,245	1,668,245
2047	1,525,000	160,242	1,685,242
2048	1,600,000	97,763	1,697,763
2049	375,000	31,762	406,762
2050	395,000	16,294	411,294
TOTALS	$ 41,885,000	$ 19,082,329	$ 60,967,329

See accompanying independent auditor's report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(1)	(2)	(3)	(4)
Bond Series:	2014	2015	2016	2017
Interest Rate:	3.25% to 4.00%	3.30% to 4.00%	4.00%	3.00% to 3.75%
Dates Interest Payable:	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity Dates:	September 1, 2026/2039	September 1, 2026/2039	September 1, 2026/2035	September 1, 2026/2042
Bonds Outstanding at Beginning of Current Year	$ 2,565,000	$ 1,765,000	$ 3,390,000	$ 4,605,000
Less Retirements	(120,000)	(85,000)	(240,000)	(180,000)
Bonds Outstanding at End of Current Year	$ 2,445,000	$ 1,680,000	$ 3,150,000	$ 4,425,000
Current Year Interest Paid:	$ 97,414	$ 67,524	$ 135,600	$ 162,525

Bond Descriptions and Original Amount of Issue

(1) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Bonds, Series 2014 ($3,435,000)

(2) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Bonds, Series 2015 ($2,390,000)

(3) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Refunding Bonds, Series 2016 ($4,670,000)

(4) Sunfield Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2017 ($5,550,000)

Paying Agent/Registrar

(1) (2) (3) (4) Amegy Bank, N. A., Houston, Texas

Net Debt Service Fund deposits and investments balances as of September 30, 2025:	$ 3,094,355
Average annual debt service payment for remaining term of all debt:	2,438,693

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(5)	(6)	(7)	(8)
Bond Series:	2018	2018 Road	2019 Ref.	2019
Interest Rate:	3.00% to 4.00%	3.75% to 5.00%	3.00%	2.00% to 3.00%
Dates Interest Payable:	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity Dates:	September 1, 2026/2043	September 1, 2026/2043	September 1, 2026/2038	September 1, 2026/2044
Bonds Outstanding at Beginning of Current Year	$ 5,120,000	$ 1,000,000	$ 3,250,000	$ 5,950,000
Less Retirements	(180,000)	(35,000)	(185,000)	(220,000)
Bonds Outstanding at End of Current Year	$ 4,940,000	$ 965,000	$ 3,065,000	$ 5,730,000
Current Year Interest Paid:	$ 196,938	$ 40,400	$ 97,500	$ 161,275

Bond Descriptions and Original Amount of Issue

(5) Sunfield Municipal Utility District No. 1 Unlimited Tax Utility Bonds, Series 2018 ($6,080,000)

(6) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Bonds, Series 2018 ($1,160,000)

(7) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Refunding Bonds, Series 2019 ($3,635,000)

(8) Sunfield Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2019 ($7,015,000)

Paying Agent/Registrar

(5) (6) (7) (8) Zions Bancorporation, N.A., Houston, Texas

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(9)	(10)	(11)
Bond Series:	2021	2023	2024
Interest Rate:	2.00% to 3.00%	4.00% to 4.125%	4.00% to 5.00%
Dates Interest Payable:	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity Dates:	September 1, 2026/2038	September 1, 2043/2048	September 1, 2026/2050
Bonds Outstanding at Beginning of Current Year	$ 1,750,000	$ 5,500,000	$ 6,065,000
Less Retirements	(45,000)	0	(120,000)
Bonds Outstanding at End of Current Year	$ 1,705,000	$ 5,500,000	$ 5,945,000
Current Year Interest Paid:	$ 35,950	$ 223,030	$ 249,844

Bond Descriptions and Original Amount of Issue

(9) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Refunding Bonds, Series 2021 ($1,875,000)

(10) Sunfield Municipal Utility District No. 1 Unlimited Tax Utility Bonds, Series 2023 ($5,500,000)

(11) Sunfield Municipal Utility District No. 1 Unlimited Tax Utility Bonds, Series 2024 ($6,065,000)

Paying Agent/Registrar

(9) (10) (11) Zions Bancorporation, N.A., Houston, Texas

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	(12)	Totals
Bond Series:	2024	
Interest Rate:	4.25% to 6.00%	
Dates Interest Payable:	March 1/ September 1	
Maturity Dates:	September 1, 2039/2043	
Bonds Outstanding at Beginning of Current Year	$ 2,335,000	$ 43,295,000
Less Retirements	0	(1,410,000)
Bonds Outstanding at End of Current Year	$ 2,335,000	$ 41,885,000
Current Year Interest Paid:	$ 102,473	$ 1,570,473

Bond Descriptions and Original Amount of Issue

(12) Sunfield Municipal Utility District No. 1 Unlimited Tax Road Bonds, Series 2024 ($2,335,000)

Paying Agent/Registrar

(12) Zions Bancorporation, N.A., Houston, Texas

Bond Authority	Road Bonds	W,S,D Bonds	Parks & Rec. Bonds
Amount Authorized by Voters:	$ 21,660,000	$ 48,990,000	$ 5,995,000
Amount Issued:	21,660,000	30,210,000	0
Remaining to be Issued:	0	18,780,000	5,995,000

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 1,052,912	$ 847,095	$ 777,309	$ 1,056,615	$ 641,306	90.7 %	83.7 %	85.6 %	98.5 %	78.7 %
Penalties and interest and other	1,492	4,518	904	1,579	6,447	0.1	0.4	0.1	0.1	0.8
Master District surplus billings	0	0	0	0	158,013	0.0	0.0	0.0	0.0	19.4
Interest on deposits and investments	106,457	161,099	129,729	15,509	8,981	9.2	15.9	14.3	1.4	1.1
TOTAL REVENUES	1,160,861	1,012,712	907,942	1,073,703	814,747	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Service operations:										
Purchased services	637,360	371,317	234,821	198,249	0	54.9	36.6	25.9	18.5	0.0
Professional fees	110,730	91,683	110,637	76,740	71,106	9.5	9.1	12.2	7.1	8.7
Contracted services	91,521	88,136	78,819	64,153	55,585	7.9	8.7	8.7	6.0	6.9
Utilities	15,739	19,806	14,949	19,404	18,858	1.4	2.0	1.6	1.8	2.3
Repairs, maintenance and other operating expenditures	26,199	77,208	46,706	46,999	46,570	2.3	7.6	5.1	4.4	5.7
Administrative expenditures	23,804	26,630	36,314	15,163	18,071	2.1	2.6	4.0	1.4	2.2
Interest	31,802	0	0	0	0	2.7	0.0	0.0	0.0	0.0
Capital outlay	1,435,229	0	0	0	0	123.6	0.0	0.0	0.0	0.0
TOTAL EXPENDITURES	2,372,384	674,780	522,246	420,708	210,190	204.4	66.6	57.5	39.2	25.8
EXCESS REVENUES (EXPENDITURES)	$(1,211,523)	$ 337,932	$ 385,696	$ 652,995	$ 604,557	(104.4) %	33.4 %	42.5 %	60.8 %	74.2 %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					

See accompanying independent auditor's report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 2,948,623	$ 3,080,499	$ 3,340,113	$ 2,375,518	$ 2,398,043	67.4 %	74.8 %	95.7 %	99.2 %	99.5 %
Contract taxes	1,233,337	836,580	0	0	0	28.2	20.3	0.0	0.0	0.0
Penalty and interest	2,936	6,855	4,670	3,175	5,537	0.1	0.2	0.1	0.1	0.2
Accrued interest on bonds received at date of sale	0	0	0	0	1,764	0.0	0.0	0.0	0.0	0.1
Interest on deposits and investments	190,228	192,896	147,100	17,506	4,788	4.3	4.7	4.2	0.7	0.2
TOTAL REVENUES	4,375,124	4,116,830	3,491,883	2,396,199	2,410,132	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Current:										
Professional fees	0	0	1,000	1,120	1,714	0.0	0.0	0.1	0.1	0.1
Debt service:										
Principal retirement	1,410,000	1,255,000	1,205,000	1,160,000	1,105,000	32.2	30.5	34.4	48.5	45.8
Contractual obligation	1,250,193	836,580	648,545	0	0	28.6	20.3	18.6	0.0	0.0
Refunding contribution	0	0	0	0	25,093	0.0	0.0	0.0	0.0	1.0
Interest and fees	1,575,573	1,262,953	1,197,205	1,115,286	1,162,599	36	30.7	34.3	46.5	48.3
TOTAL EXPENDITURES	4,235,766	3,354,533	3,051,750	2,276,406	2,294,406	96.8	81.5	87.4	95.1	95.2
EXCESS REVENUES (EXPENDITURES)	$ 139,358	$ 762,297	$ 440,133	$ 119,793	$ 115,726	3.2 %	18.5 %	12.6 %	4.9 %	4.8 %

See accompanying independent auditor's report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

SEPTEMBER 30, 2025

Complete District Mailing Address: Sunfield Municipal Utility District No. 1
c/o Coats Rose, P.C.
16000 North Dallas Parkway, Suite 350
Dallas, Texas 75248

District Business Telephone No.: 972-788-1600

Submission date of the most recent District Registration Form: July 10, 2024

Limit on Fees of Office that a Director may receive during a fiscal year: $7,200

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Kindra Poage. c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/07/22- 5/02/26	$ 1,105	$ 0	President
Tara Hays c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/07/22- 5/02/26	1,768	0	Vice President
Miklos Gaal c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/04/24- 5/06/28	1,989	0	Secretary
Steven Sogar c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/04/20- 5/06/28	2,210	0	Assistant Secretary
Leisha Ehlert c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	Elected 5/07/22- 5/02/26	884	0	Assistant Secretary

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

SEPTEMBER 30, 2025

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, Texas 75248	10/29/08	$ 72,095	Attorney
McCreary, Veselka, Bragg & Allen, P.C. 700 Jeffrey Way, Suite 100 Round Rock, Texas 78665	08/08	753	Delinquent Tax Attorney
Municipal Accounts and Consulting, L.P. 6500 River Place Blvd, Bldg 4, Suite150 Austin, Texas 78730	08/08	54,947	Bookkeeper
Taylor Kolmodin 6500 River Place Blvd, Bldg 4, Suite150 Austin, Texas 78730	08/08	0	Investment Officer
Consor North America, Inc. 1101 S. Capital of Texas Highway Building D, Suite 110 Austin, Texas 78746	11/01/05	28,954	Engineer
Hays County Tax Assessor-Collector 102 LBJ Drive San Marcos, Texas 78666	08/08	303	Tax Assessor-Collector
Travis County Tax Assessor-Collector 5501 Airport Blvd. Austin, Texas 78751	08/07	12	Tax Assessor-Collector
Hays Central Appraisal District 21001 Interstate 35 Kyle, Texas 78640	Legislative Action	36,616	Central Appraisal District
Travis Central Appraisal District 8314 Cross Park Drive Austin, Texas 78754	Legislative Action	724	Central Appraisal District
R. W. Baird & Co. 1331 Lamar, Suite 1360 Houston, Texas 77010	2/05/15	0	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	8/16/13	13,950 2,000 Other	Independent Auditor

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

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

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

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

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

SPECIMEN

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

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

SPECIMEN