MISSOURI CITY MANAGEMENT DISTRICT NO. 2
(Fort Bend County, Texas)

PRELIMINARY OFFICIAL STATEMENT
DATED: OCTOBER 20, 2026

$2,535,000
UNLIMITED TAX ROAD BONDS
SERIES 2026

BIDS TO BE SUBMITTED BY: 9:30 A.M., CENTRAL TIME
TUESDAY, NOVEMBER 17, 2026

BONDS TO BE AWARDED: 11:00 A.M., CENTRAL TIME
TUESDAY, NOVEMBER 17, 2026

CEDAR CREEK
MUNICIPAL ADVISORS

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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 20, 2026

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

In the opinion of Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.

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

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

$2,535,000
MISSOURI CITY MANAGEMENT DISTRICT NO. 2
(A Political Subdivision of the State of Texas, located within Fort Bend County)
UNLIMITED TAX ROAD BONDS, SERIES 2026

Dated: December 1, 2026 **Due: September 1, as shown on the inside cover**

Interest Accrues from: Date of Delivery

The $2,535,000 Missouri City Management District No. 2 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are obligations of Missouri City Management District No. 2 (the "District") and are not obligations of the State of Texas ("Texas"); Fort Bend County, Texas (the "County"); the City of Missouri City, Texas (the "City"); or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of Texas; the County; the City; nor any entity other than the District is pledged to the payment of principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar"). Interest accrues from the initial date of delivery (expected on or about December 17, 2026) (the "Date of Delivery"), and is payable September 1, 2027, and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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

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

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 the risk factors as described herein. See "RISK FACTORS."

The Bonds are offered subject to prior sale, when, as and if issued by the District and accepted by the winning bidder for the Bonds (the "Initial Purchaser"), subject to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about December 17, 2026.

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

$2,535,000 Unlimited Tax Road Bonds, Series 2026

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)
2028	$ 50,000	_____%	_____%	___	2040 (c)	$ 100,000	_____%	_____%	___
2029	55,000	_____	_____	___	2041 (c)	105,000	_____	_____	___
2030	55,000	_____	_____	___	2042 (c)	115,000	_____	_____	___
2031	60,000	_____	_____	___	2043 (c)	120,000	_____	_____	___
2032 (c)	65,000	_____	_____	___	2044 (c)	125,000	_____	_____	___
2033 (c)	65,000	_____	_____	___	2045 (c)	135,000	_____	_____	___
2034 (c)	70,000	_____	_____	___	2046 (c)	140,000	_____	_____	___
2035 (c)	75,000	_____	_____	___	2048 (c)	150,000	_____	_____	___
2036 (c)	80,000	_____	_____	___	2048 (c)	160,000	_____	_____	___
2037 (c)	85,000	_____	_____	___	2049 (c)	170,000	_____	_____	___
2038 (c)	90,000	_____	_____	___	2050 (c)	180,000	_____	_____	___
2039 (c)	95,000	_____	_____	___	2051 (c)	190,000	_____	_____	___

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

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

(c) Bonds maturing on September 1, 2032, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time, in part, on September 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. In addition, the Initial Purchaser may designate one or more maturities as term bonds. See "THE BONDS – Redemption of the Bonds."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in Rule 15c2-12.

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

All of the summaries of the statutes, resolutions, orders, contracts, audits, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel upon payment of duplication costs, for further information.

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

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

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

[Remainder of Page Intentionally Left Blank]

TABLE OF CONTENTS

Page No.

USE OF INFORMATION IN OFFICIAL STATEMENT 1
SALE AND DISTRIBUTION OF THE BONDS 2
Award of the Bonds 2
Prices and Marketability 2
Securities Laws 2
MUNICIPAL BOND INSURANCE 2
MUNICIPAL BOND RATING 2
OFFICIAL STATEMENT SUMMARY 3
INTRODUCTION 7
RISK FACTORS 7
General 7
Factors Affecting Taxable Values and Tax Payments 7
Potential Effects of Oil Price Fluctuations on the Houston Area 8
Potential Impact of Natural Disaster 8
Specific Flood Type Risks 9
Extreme Weather Events 9
Tax Collection Limitations 9
Marketability 9
Future Debt 10
Continuing Compliance with Certain Covenants 10
Environmental Regulations 10
Changes in Tax Legislation 12
Cybersecurity 12
The 90th Texas Legislature 12
Bond Insurance Risk Factors 12
THE BONDS 13
General 13
Record Date for Interest Payment 13
Book-Entry-Only System 13
Use of Certain Terms in Other Sections of This Official Statement 15
Successor Paying Agent/Registrar 15
Registration, Transfer and Exchange 15
Redemption of the Bonds 15
Mutilated, Lost, Stolen or Destroyed Bonds 16
Authority for Issuance 16
Source of Payment 16
Issuance of Additional Debt 16
Outstanding Bonds 17
No Arbitrage 17
Consolidation and Dissolution 17
Defeasance 17
Legal Investment and Eligibility to Secure Public Funds in Texas 18
Registered Owners' Remedies 18
Use and Distribution of Bond Proceeds 19
THE DISTRICT 20
Authority 20
Description 20
Management of the District 20
Investment Policy 20
Consultants 20
DEVELOPMENT OF THE DISTRICT 21
Status of Development within the District 21
THE DEVELOPERS 21
Role of the Developers 21
The Developers 22

Page No.

UTILITY AND ROAD AGREEMENT 22
AERIAL PHOTOGRAPH OF THE DISTRICT 23
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT 24
DISTRICT DEBT 25
Pro-Forma Debt Service Requirement Schedule 25
Bonded Indebtedness 26
Estimated Direct and Overlapping Debt Statement 27
Debt Ratios 27
TAXING PROCEDURES 27
Authority to Levy Taxes 27
Property Tax Code and County-Wide Appraisal District 27
Property Subject to Taxation by the District 28
Tax Abatement 29
Valuation of Property for Taxation 29
District and Taxpayer Remedies 30
Tax Payment Installments After Disaster 30
Levy and Collection of Taxes 30
Rollback of Operation and Maintenance Tax Rate 30
District's Rights in the Event of Tax Delinquencies 31
TAX DATA 32
General 32
Tax Rate Limitation 32
Maintenance and Operations Tax 32
Additional Penalties 32
Tax Rate Calculations 32
Estimated Overlapping Taxes 33
Historical Tax Collections 33
Tax Rate Distribution 33
Assessed Valuation Summary 34
Principal Taxpayers 34
THE UTILITY SYSTEM 34
Regulation 34
Wastewater Treatment 35
Water Supply 35
THE ROAD SYSTEM 35
General Fund Operating Statement 36
LEGAL MATTERS 37
Legal Opinions 37
No-Litigation Certificate 37
No Material Adverse Change 37
TAX MATTERS 37
Tax Exemption 37
Qualified Tax-Exempt Obligations 38
Additional Federal Income Tax Considerations 38
CONTINUING DISCLOSURE OF INFORMATION 40
Annual Reports 40
Event Notices 40
Availability of Information from EMMA 40
Limitations and Amendments 40
Compliance with Prior Undertakings 41
OFFICIAL STATEMENT 41
General 41
Experts 41
Certification as to Official Statement 41
Updating of Official Statement 41
CONCLUDING STATEMENT 42
APPENDIX A - FINANCIAL STATEMENTS OF THE DISTRICT

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by _____ (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" at a price of _____% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204 of the 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, dealer or similar person or organization acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

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

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

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 in such other jurisdiction.

MUNICIPAL BOND INSURANCE

The District has made applications to Build America Mutual Assurance Company and Assured Guaranty Inc. for a commitment for municipal bond insurance on the Bonds. If qualified and the Initial Purchaser elects to purchase municipal bond insurance, the payment of all costs associated with the municipal bond insurance, including the premium charged by the insurance company, will be at the option and expense of the Initial Purchaser.

MUNICIPAL BOND RATING

The District has not made an application for a rating on the Bonds. Furthermore, it is not expected that the District would have been successful in obtaining an investment-grade rating on the Bonds had such application been made.

OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with the more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or described herein.

THE BONDS

The Issuer	Missouri City Management District No. 2 (the "District"), a political subdivision of the State of Texas ("Texas"), is located in Fort Bend County, Texas (the "County"). See "THE DISTRICT."
The Issue	The $2,535,000 Missouri City Management District No. 2 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are dated December 1, 2026. Interest accrues from the initial date of delivery (expected on or about December 17, 2026) (the "Date of Delivery"), at the rates set forth on the inside cover page hereof, and is payable September 1, 2027, and each March 1 and September 1 thereafter until the earlier of stated maturity or redemption. The Bonds mature serially on September 1, in each year 2028 through 2051, both inclusive, in the principal amounts set forth on the inside cover page hereof. Bonds maturing on and after September 1, 2032, are subject to redemption, 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 thereon to the date fixed for redemption. See "THE BONDS."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar"), to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Source of Payment	The Bonds are payable from a continuing direct annual ad valorem tax, unlimited as to rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of Texas; the County; the City of Missouri City, Texas (the "City"); or any entity other than the District. See "THE BONDS – Source of Payment."
Outstanding Bonds	The District has previously issued its $7,500,000 Unlimited Tax Bonds, Series 2024, and $4,225,000 Unlimited Tax Road Bonds, Series 2024, $11,280,000 of which remains outstanding (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."
Payment Record	The Bonds represent the second series of unlimited tax bonds issued for the purpose of acquiring or constructing road improvements to serve the Road System (herein defined). The District has never defaulted on the timely payment of principal or interest on its previously issued bonds. See "THE BONDS—Source of Payment."
Use of Distribution of Bond Proceeds	Proceeds from the sale of the Bonds will be used to reimburse two of the District's Developers (herein defined) for the costs of certain road improvements as shown under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds from the sale of the Bonds will be used to pay for developer interest, and other certain costs associated with the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds" for further detail.
Qualified Tax-Exempt Obligations	The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

Municipal Bond Insurance	The District has made applications for a commitment for municipal bond insurance on the Bonds. The purchase of such insurance, if available, and payment of all costs, including the premium charged by the insurer, and fees charged by any rating company, if applicable, shall be the option and expense of the Initial Purchaser of the Bonds.
Municipal Bond Rating	The District has not made an application for a municipal bond rating on the Bonds. Furthermore, it is not expected that the District would have been successful in receiving an investment grade rating on the Bonds. See "MUNICIPAL BOND RATING" and "RISK FACTORS—Bond Insurance Risk Factors."
Authority for Issuance	The Bonds represent the second series of bonds issued out of an aggregate of $57,980,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System") and for the refunding of such bonds. Voters in the District have also authorized $112,620,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining a water, wastewater and a storm drainage system to serve the District (the "Utility System") and for the refunding of such bonds; and $6,745,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities to serve the District (the "Park System") and for the refunding of such bonds. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $51,220,000 for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; $105,120,000 for the purpose of purchasing, constructing, operating and maintaining the Utility System and refunding of such bonds; and $6,745,000 for the purpose of acquiring or constructing the Park System and the refunding of such bonds. The Bonds are issued by the District pursuant to the terms and conditions of a resolution authorizing the issuance of the Bonds (the "Bond Resolution"), Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, and an election held in the District on May 7, 2016. See "THE BONDS – Authority for Issuance."
Bond Counsel	Allen Boone Humphries Robinson LLP, Houston, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
Engineer	LJA Engineering, Inc., Houston, Texas.

THE DISTRICT

Description	The District was created by House Bill 4156, Acts of the 84th Texas Legislature, Regular Session, and operates under Chapter 3932, Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, pursuant to Article III, Sections 52 and 52(a) and Article XVI, Section 59 of the Texas Constitution, and Chapter 375 of the Texas Local Government Code and other general laws of Texas applicable to management districts. At the time of its creation, the District comprised approximately 307.3 acres. As a result of two annexations subsequent to its creation, the District currently comprises approximately 446.86 acres. The District is located entirely within the County, approximately 20 miles southwest of the central business district of the City of Houston, Texas. The District is located entirely within the corporate limits of the City of Missouri City. In addition, approximately 365.45 acres within the District are located within the City's Tax Increment Reinvestment Zone No. 2. See "THE DISTRICT – Authority" and "THE DISTRICT – Description."

Development Within the District	Approximately 172.68 acres within the District have been developed for commercial purposes which include an approximately 1,100,000 square-foot regional Amazon distribution center, and a commercial shopping center known as Fort Bend Town Center II, which includes a Cinemark movie theatre, Olive Garden, McAlister's Deli and several other establishments. Fort Bend Town Center III is a mixed-use development that is still under construction. Fort Bend Town Center III is located on approximately 53.81 acres. The remaining land within the District consists of approximately 167.68 undeveloped but developable acres and approximately 106.8 undevelopable acres. See "THE DEVELOPERS," "DEVELOPMENT OF THE DISTRICT" and "THE DISTRICT."
Developers	Lake Olympia One Owner LP, a Texas limited partnership ("Lake Olympia One"), developed approximately 81.01 acres within the District as the first phase of Fort Bend Parkway Business Park, which consists of the Amazon distribution center. Lake Olympia Three Ltd., a Texas limited company ("Lake Olympia Three"), owns approximately 35.27 of undeveloped acres within the District and is anticipated to develop such acreage in the future for commercial purposes. Lake Olympia Three Ltd. sold approximately 63.71 acres of undeveloped land within the District to Amazon.com Services, LLC, a Delaware limited liability company, and is anticipated to develop such acreage in the future for commercial purposes. Lake Olympia One and Lake Olympia Three are both affiliates of Lovett Industrial, LLC a Texas limited liability company ("Lovett"). A-S 151 NWC Fort Bend Pkwy-Hwy 6 LP, a Texas limited partnership ("A-S 151"), has developed Fort Bend Town Center II, a mixed-use retail development within the District, on approximately 37.86 acres. A-S 155 Sec Hwy 6-Fort Bend Tollway LP, a Texas limited partnership ("A-S 155"), is developing Fort Bend Town Center III, a mixed-use development, on approximately 53.81 acres that is still under construction. Currently the development includes a multi-family project and a Metro Parking Garage/Park-N-Ride facility. A-S 151 and A-S 155 are both affiliates of NewQuest Properties ("NewQuest"). A-S 151 and A-S 155 control approximately 42.05 undeveloped acres in the District. FLC Parkway, L.P., a Texas limited partnership ("FLC"), currently owns approximately 8 undeveloped acres and is anticipated to develop such acreage in the future for commercial purposes. Lovett, NewQuest, and FLC are collectively referred to herein as the "Developers." See "THE DEVELOPERS" and "DEVELOPMENT OF THE DISTRICT."

RISK FACTORS

THE DISTRICT'S TAX IS LEVIED ONLY ON THE PROPERTY LOCATED WITHIN THE DISTRICT. THEREFORE, THE INVESTMENT SECURITY AND QUALITY OF THE BONDS IS DEPENDENT UPON THE SUCCESSFUL DEVELOPMENT OF PROPERTY LOCATED WITHIN THE DISTRICT AND THE PAYMENT AND COLLECTION OF TAXES LEVIED THEREON.

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

[Remainder of Page Intentionally Left Blank]

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Certified Taxable Assessed Valuation	$ 333,984,636	(a)
Estimated Taxable Assessed Valuation as of July 15, 2026	$ 356,749,184	(b)
Direct Debt:		
The Outstanding Bonds	$ 11,280,000	
The Bonds	2,535,000	
Total	$ 13,815,000	
Estimated Overlapping Debt	$ 20,677,485	(c)
Total Direct and Estimated Overlapping Debt	$ 34,492,485	
Direct Debt Ratios:		
As a percentage of the 2026 Certified Taxable Assessed Valuation	4.14 %	
As a percentage of the Estimated Taxable Assessed Valuation as of July 15, 2026	3.87 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2026 Certified Taxable Assessed Valuation	10.33 %	
As a percentage of the Estimated Taxable Assessed Valuation as of July 15, 2026	9.67 %	
Road Debt Service Fund Balance (as of Date of Delivery)	$ 276,424	(d)
Debt Service Fund Balance (as of October 20, 2026)	$ 282,418	(e)
Capital Projects Fund Balance (as of October 20, 2026)	$ 85,628	
Road Capital Projects Fund Balance (as of October 20, 2026)	$ 23,004	
General Fund Balance (as of October 20, 2026)	$ 1,650,651	
2026 Tax Rate per $100 of Assessed Valuation:		
Road Debt Service	$ 0.0825	
Utility System Debt Service	0.1500	
Maintenance and Operations	0.2675	
Total	$ 0.5000	
Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)	$ 899,810	(f)
Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2048)	$ 1,030,494	(f)
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay the Average Annual Debt Service Requirement (2027-2051) at 95% Tax Collections:		
Based on the 2026 Certified Taxable Assessed Valuation	$ 0.29	
Based on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 0.27	
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement (2048) at 95% Tax Collections:		
Based on the 2026 Certified Taxable Assessed Valuation	$ 0.33	
Based on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 0.31	

(a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District").

(b) Provided by the Appraisal District for information purposes only. Represents new construction within the District as of July 15, 2026. This estimate is based upon the same unit value used in the taxable assessed valuation. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

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

(d) Amounts on deposit in the Road Debt Service Fund are to be used for bonds issued for the purpose of constructing or acquiring the Road System (including the Bonds) or for refunding of such bonds and may not be used to pay debt service on bonds issued by the District for the Utility System. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund (herein defined).

(e) Neither Texas law nor the bond resolution for the previously issued Utility System bonds require that the District maintain any particular sum in the Utility Debt Service Fund. Funds in the Utility Debt Service Fund are not available to pay debt service on bonds issued for the Road System, such as the Outstanding Bonds (herein defined) issued for the Road System and the Bonds.

(f) Includes debt service on the Outstanding Bonds and the Bonds at an estimated annual interest rate of 6.00% on the Bonds. See "DISTRICT DEBT—Pro-Forma Debt Service Requirement Schedule.

$2,535,000

MISSOURI CITY MANAGEMENT DISTRICT NO. 2

UNLIMITED TAX ROAD BONDS

SERIES 2026

INTRODUCTION

This Official Statement of Missouri City Management District No. 2 (the "District") is provided to furnish information with respect to the issuance by the District of its $2,535,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas ("Texas") relating to the issuance of bonds by political subdivisions of the State of Texas, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board") and an election held within the District on May 7, 2016. See "THE BONDS – Authority for Issuance."

There follow in this Official Statement descriptions of the Bonds, the Developers (herein defined), the Bond Resolution and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Bond Counsel (herein defined) at 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, upon payment of the costs of duplication therefor. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Resolution, except as otherwise indicated herein.

RISK FACTORS

General

The Bonds, which are obligations of the District and not of Texas; Fort Bend County, Texas (the "County"); Missouri City, Texas (the "City"); or any political subdivision other than the District, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Therefore, 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 commercial real estate industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "DEVELOPMENT OF THE DISTRICT," "TAXING PROCEDURES," and "TAX DATA."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development of the District is directly related to the vitality of the commercial real estate industry. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District.

The Developers Under No Obligation: There is no commitment by or legal requirement of the principal landowners/developers 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 to proceed at any particular pace. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and could result in higher tax rates. See "DEVELOPMENT OF THE DISTRICT," "THE DEVELOPERS," and "TAX DATA – Principal Taxpayers."

Dependence on Principal Taxpayers: There is a high concentration of ownership of assessed valuation in the District. The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's principal taxpayers in 2026 owned property located within the District the aggregate assessed valuation of which comprised approximately 97.24% of the District's 2026 Certified Taxable Assessed Valuation. The landowner of the Amazon facility in the District is ET Fresno LLC and is not affiliated with Amazon.com Services LLC or the Developers. ET Fresno LLC, the District's top taxpayer, represents approximately 40.07% of the District's 2026 Certified Taxable Assessed Valuation. Amazon.com Services LLC represents approximately

32.82% of the District's 2026 Certified Taxable Assessed Valuation. In the event that any principal taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its debt service fund. See "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Levy and Collection of Taxes."

Dependence on Personal Property Tax Collections: Approximately 38.80% ($129,700,628) of the District's 2026 Certified Taxable Assessed Valuation is personal property. Most other special purpose districts in Texas are not dependent to such an extent on taxes levied on personal property, and personal property taxation and collection create special risks for Registered Owners. See "TAX DATA – Principal Taxpayers," "–Assessed Valuation Summary," and "TAXING PROCEDURES."

Unlike real property, there is no certainty that personal property will remain in the District from year to year. Automobiles and other personal property are portable and could be removed from the District at any time. Personal property removed from the District as of January 1 of any year is not subject to taxation by the District for that year.

If personal property is subject to a lien for unpaid District taxes for any year, the District's lien is lost if the property is sold in the ordinary course of business. A lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer as of January 1 with a tax situs in the District, but to any personal property then or thereafter owned by the taxpayer. However, the District may not be able to foreclose on personal property located outside the State of Texas and locating and foreclosing on property held outside the District may be costly, inefficient and difficult. The statute of limitations for collection of personal property taxes is four years from the date of delinquency, as contrasted with the 20-year statute of limitations for real property. Personal property may not be seized, and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four years. A tax and any penalty and interest on the tax that is delinquent longer than the limitation period is presumed paid unless a suit to collect such personal property tax is pending. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. See "TAXING PROCEDURES."

Maximum Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2026 Certified Taxable Assessed Valuation as of January 1, 2026, is $333,984,636 and the Estimated Taxable Assessed Valuation as of July 15, 2026, is $356,749,184. After issuance of the Bonds, the estimated maximum annual debt service requirement on the Outstanding Bonds and the Bonds is $1,030,494 (2048) and the estimated average annual debt service requirement on the Outstanding Bonds and the Bonds is $899,810 (2027-2051). Assuming no increase to nor decrease from the 2026 Certified Taxable Assessed Valuation, tax rates of $0.33 and $0.29 per $100 of taxable assessed valuation at a 95% tax collection rate would be necessary to pay the estimated maximum annual debt service requirement and the estimated average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimated Taxable Assessed Valuation as of July 15, 2026, tax rates of $0.31 and $0.27 per $100 of taxable assessed valuation at 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

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.

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Potential Impact of Natural Disaster

The District is located approximately 80 miles from the Texas Gulf Coast and has been and could again be impacted by high winds, heavy rains and flooding caused by hurricane, tornado, tropical storm or other adverse weather events. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the assessed valuation of the District and an increase in the District's tax rates. See "TAXING PROCEDURES – Property Tax Code and County-Wide Appraisal District" and "TAXING PROCEDURES – Valuation of Property for Taxation."

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

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

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

Extreme Weather Events

On August 26, 2017, Hurricane Harvey ("Harvey") made landfall on the Texas Gulf Coast, severely impacting the entire region, including the District. Harvey created a significant amount of rainfall over several days, well in excess of the 100-year threshold across most of the Houston metropolitan area. According to the Engineer, the District did not experience any street flooding. See "TAXING PROCEDURES – Valuation of Property for Taxation."

The District cannot predict the effect that additional extreme weather events may have upon the District or the District's drainage system. Additional extreme weather event have the potential to cause damage within the District that could have a negative effect on taxable assessed valuations in the District which could cause tax rates to rise. See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments" and "– Maximum Impact on District Tax Rates."

Tax Collection Limitations

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

Marketability

The District has no understanding (other than the initial reoffering yields) with the winning bidder for the Bonds (the "Initial Purchaser") regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

The District may issue additional bonds with the approval of the Texas Commission on Environmental Quality (the "TCEQ"), necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's issuance of bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System") and for the Park System is not subject to approval by the TCEQ.

The Bonds represent the second series of bonds issued out of an aggregate of $57,980,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds. Voters in the District have also authorized $112,620,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the water, wastewater and a storm drainage system to serve the District (the "Utility System") and for the refunding of such bonds; and $6,745,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities (the "Park System") and for the refunding of such bonds.

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $51,220,000 for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; $105,120,000 for the purpose of purchasing, constructing, operating and maintaining the Utility System and for the refunding of such bonds; and $6,745,000 for the purpose of acquiring or constructing the Park System to serve the District and for the refunding of such bonds. The District also has the right to issue certain other additional bonds, revenue bonds, special project bonds and other obligations described in the Bond Resolution.

Following reimbursement from the proceeds of the Bonds, the District will owe the Developers approximately $23,000,000 for reimbursable expenses for District projects. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS – Issuance of Additional Debt."

The issuance of additional bonds for the purpose of purchasing, construing, operating and maintaining the Utility System to serve the District is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. Further, the principal amount of bonds issued for the purpose of acquiring or constructing parks and recreational facilities to serve the District may not exceed one percent of the District's certified value; however, if the District meets certain financial feasibility requirements under the TCEQ rules, the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District.

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

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

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

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty

Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

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

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

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

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

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

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

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

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. In order to maintain MS4 Permit compliance, the District is partnering with the City, to participate in the City's program to develop, implement, and maintain the required plan (the "MS4 Permit Plan") as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. While the District does not have its own

independent MS4 Permit Plan, the District has taken all necessary steps required by the City to be included in the City's MS4 Permit Plan in order to obtain MS4 Permit compliance with the TCEQ. If at any time in the future the District were required to maintain independent coverage under the MS4 Permit, it is anticipated that the District could incur substantial additional costs to develop and implement its own program necessary to comply with the MS4 Permit.

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

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

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

Changes in Tax Legislation

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

Cybersecurity

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

The 90th Texas Legislature

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

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether an insurance policy will be available for purchase with the Bonds. If an insurance policy is available for purchase with the Bonds, and purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District 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 bond 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" and "MUNICIPAL BOND RATING."

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 the Initial Purchaser have made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal 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" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution. A copy of the Bond Resolution may be obtained from the District upon written request made to Bond Counsel at 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

The Bonds are dated December 1, 2026, and will accrue interest from the initial date of delivery (expected on or about December 17, 2026) (the "Date of Delivery"),with interest payable September 1, 2027, and each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds are fully registered serial bonds maturing on September 1 in each of the years shown under "PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover. Principal of the Bonds will be payable to the registered owners (the "Registered Owners") at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar, initially, Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar").

Record Date for Interest Payment

Interest on the Bonds will be paid to the Registered Owners appearing on the registration and transfer books (the "Register") of the Paying Agent/Registrar at the close of business on the fifteenth calendar day of the month next preceding each Interest Payment Date (the "Record 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 Register 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 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 (the "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 Register 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 The Depository Trust Company, New York, New York ("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 (1) fully registered Bond certificate will be issued for each maturity 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (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 rating from S&P Global Ratings 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 Resolutions will be given only to DTC.

Successor Paying Agent/Registrar

Provision is made in the Bond Resolution for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank; a trust company organized under the laws of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Registration, Transfer and Exchange

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the corporate trust office of the Paying Agent/Registrar in Houston, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning 15 calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within 30 calendar days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Redemption of the Bonds

Bonds maturing on September 1, 2032, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest thereon 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 such random method as the Paying Agent/Registrar deems fair and appropriate 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.

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 represent the second series of bonds issued out of an aggregate of $57,980,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System and for the refunding of such bonds. Voters in the District have also authorized $112,620,000 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, operating and maintaining the Utility System and for refunding of such bonds; and $6,745,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and for refunding of such bonds.

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $51,220,000 for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; $105,120,000 for the purpose of purchasing, constructing, operating and maintaining the Utility System and for refunding of such bonds; and $6,745,000 for the purpose of acquiring or constructing the Park System and refunding of such bonds.

The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, the Bond Resolution adopted by the Board and an election held within the District on May 7, 2016.

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 all taxable property located within the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees and Appraisal District (herein defined) fees. Tax proceeds, after deduction for collection costs, will be placed in the debt service fund and used solely to pay principal of and interest on the Bonds, and additional bonds issued for the Road System payable from taxes which may be issued, and Paying Agent/Registrar fees.

The Bonds are obligations solely of the District and are not the obligations of Texas; the County; the City; or any entity other than the District.

Issuance of Additional Debt

The District may issue additional bonds with the approval of the TCEQ, necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's issuance of bonds for the Road System or the Park System is not subject to approval by the TCEQ.

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $51,220,000 for the purpose of acquiring or constructing the Road System and for the refunding of such bonds; $105,120,000 for the purpose of purchasing, constructing, operating and maintaining the Utility System and for refunding of such bonds; and $6,745,000 for the purpose of acquiring or constructing the Park System and for refunding of such bonds.

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds issued for the Utility System, approved by the TCEQ).

Following reimbursement from the proceeds of the Bonds, the District will owe the Developers approximately $23,000,000 for reimbursable expenses for District projects. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The District's voters authorized $6,745,000 principal amount of unlimited tax bonds for the purpose of acquiring and constructing parks and recreational facilities within the District. Before the District could issue park bonds payable from taxes, approval of the bonds by the Attorney General of Texas would be required. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District; however, if the District meets certain financial feasibility requirements under the TCEQ rules, the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not greater than three percent of the value of the taxable property in the District.

Outstanding Bonds

The District has previously issued its $7,500,000 Unlimited Tax Bonds, Series 2024, and $4,225,000 Unlimited Tax Road Bonds, Series 2024, $11,280,000 of which remains outstanding (the "Outstanding Bonds"). The District has never defaulted on its debt obligations.

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 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.

Consolidation and Dissolution

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, the Road System and the Utility System) and liabilities (such as the Bonds), with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

The City has the right to abolish and dissolve the District and to acquire the District's assets and assume the District's obligations in accordance with state law, subject, however to the terms of the Utility Agreement (herein defined) between the District and the City. See "UTILITY AND ROAD AGREEMENT." If any of the Bonds are outstanding at the time of dissolution, the payment of such Bonds becomes the obligation of the City. Dissolution of the District is a policy matter for the City. The District can make no representation regarding the likelihood that the City will dissolve the District.

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not

extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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.

Registered Owners' Remedies

Pursuant to Texas law, the Bond Resolution 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 Resolution 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 Resolution, 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 Resolution 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.

[Remainder of Page Intentionally Left Blank]

Use and Distribution of Bond Proceeds

Proceeds of the Bonds will be used to pay the construction costs below which were compiled by LJA Engineering, Inc., (the "Engineer"). Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and Cedar Creek Municipal Advisors, LLC (the "Financial Advisor"). The actual amounts to be reimbursed by the District and the nonconstruction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used.

I.	**CONSTRUCTION COSTS**		
	1. Fort Bend Parkway Business Park - WS&D and Paving Phase 2	$	1,047,449
	2. Fort Bend Town Center Phase III - WS&D and Paving		1,041,571
	Total Construction Costs	**$**	**2,089,020**
	Less: Surplus Funds	$	(23,004)
	Net Construction Costs	**$**	**2,066,016**
II.	**NON-CONSTRUCTION COSTS**		
	1. Legal Fees	$	76,050
	2. Fiscal Agent Fees		50,700
	3. Interest Costs		
	a. Developer Interest (Estimated at 5.5%)		203,578
	4. Bond Discount (Estimated 3.00%)		76,050
	5. Bond Issuance Expenses		40,071
	6. Bond Application Costs		20,000
	7. Attorney General's Fee (0.10%)		2,535
	Total Non-Construction Costs	**$**	**468,984**
	TOTAL BOND ISSUE REQUIREMENT	**$**	**2,535,000**

[Remainder of Page Intentionally Left Blank]

THE DISTRICT

Authority

The District was created by House Bill 4186, Acts of the 84th Texas Legislature, Regular Session, and operates under Chapter 3932, Special District Local Laws Code, Chapters 49 and 54 of the Water Code, as amended, Article III, Sections 52 and 52(a), Article XVI, Section 59 of the Texas Constitution, and Chapter 375 of the Local Government Code and other general laws of Texas applicable to management districts.

Description

At the time of its creation, the District comprised approximately 307.3 acres. As a result of two annexations subsequent to its creation, the District currently comprises approximately 446.86 acres. The District is located entirely within the County, approximately 20 miles southwest of the central business district of the City of Houston, Texas. The District is located entirely within the corporate limits of the City and within the Fort Bend Independent School District.

Management of the District

The District is governed by a board, consisting of seven directors, which has control over and management and supervision of all affairs of the District. Directors serve staggered four year terms. Directors are appointed by the City from a slate of candidates recommended by the Board and qualified to serve under Chapter 375, Texas Local Government Code.

Name	Position	Term Expires
James C. Brown	President	June 2027
David Denton	Vice President	June 2029
Ivy Davis Levingston	Secretary	June 2029
Chuck Howell	Assistant Secretary	June 2027
Jaime Stewart	Director	June 2027
Benton Schmaltz	Director	June 2029
Ryan Kerr	Director	June 2027

Investment Policy

The District has adopted an Investment Policy (the "Investment Policy") as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The District's goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Investment Policy. The Investment Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation ("FDIC") and secured by collateral authorized by the Act, and in TexPool and TexStar, which are public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate, the inclusion of long term securities or derivative products in the portfolio.

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

Tax Assessor/Collector: The tax assessor/collector for the District is Assessments of the Southwest, Inc. (the "Tax Assessor/Collector").

Bookkeeper: The District's bookkeeper is Municipal Accounts & Consulting, L.P.

Utility System Operator: The City, pursuant to the Utility Agreement (herein defined) by and between the District and the City, operates the District's water and sewer system. See "UTILITY AND ROAD AGREEMENT."

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. The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC as its auditor (the "Auditor") for the fiscal year ended June 30, 2026, which audit is included under "APPENDIX A."

Engineer: The District's engineer is LJA Engineering, Inc. (the "Engineer"). Such firm acts as engineer for many residential and commercial developments in Texas.

Bond & General Counsel: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

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

Disclosure Counsel: The District has engaged McCall, Parkhurst & Horton L.L.P. as disclosure counsel ("Disclosure Counsel") in connection with the issuance of the Bonds. The fees to be paid to Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

DEVELOPMENT OF THE DISTRICT

Approximately 172.68 acres within the District have been developed for commercial purposes which include an approximately 1,100,000 square-foot regional Amazon distribution center, and a commercial shopping center known as Fort Bend Town Center II, which includes a Cinemark movie theatre, Olive Garden, McAlister's Deli and several other establishments. A commercial shopping center known as Fort Bend Town Center III, a mixed use development, is located on approximately 23.19 acres. Fort Bend Town Center III currently includes a multi-family project and a Metro Parking Garage/Park-N-Ride facility.

The remaining land within the District consists of approximately 167.68 undeveloped but developable acres and approximately 106.8 undevelopable acres.

Status of Development within the District

The following table sets out the status of development within the District as of October 1, 2026:

	Acres
Ft. Bend Pkwy Business Park Phase 1	81.01
Ft. Bend Town Center II	37.86
Ft. Bend Town Center III	53.81
Total Developed Commercial	172.68
Undeveloped but Developable	167.38
Undevelopable	106.80
District Total	446.86

THE DEVELOPERS

Role of the Developers

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

The Developers

Lovett Industrial: Lake Olympia One Owner LP, a Texas limited partnership ("Lake Olympia One"), developed approximately 81.01 acres within the District as the first phase of Fort Bend Parkway Business Park, which consists of the Amazon distribution center. Lake Olympia Three Ltd., a Texas limited company ("Lake Olympia Three"), owns approximately 35.27 of undeveloped acres within the District and is anticipated to develop such acreage in the future for commercial purposes. Lake Olympia Three Ltd. sold approximately 63.71 acres of undeveloped land within the District to Amazon.com Services, LLC, a Delaware limited liability company, and is anticipated to develop such acreage in the future for commercial purposes. Lake Olympia One and Lake Olympia Three are both affiliates of Lovett Industrial, LLC a Texas limited liability company ("Lovett").

NewQuest Properties: A-S 151 NWC Fort Bend Pkwy-Hwy 6 LP, a Texas limited partnership ("A-S 151"), has developed Fort Bend Town Center II, a mixed-use retail development within the District, on approximately 37.86 acres. A-S 155 Sec Hwy 6-Fort Bend Tollway LP, a Texas limited partnership ("A-S 155"), is developing Fort Bend Town Center III, a mixed-use development, on 53.81 acres that is still under construction. Currently Fort Bend Twon Center III includes a multi-family project and a Metro Parking Garage/Park-N-Ride facility that are currently open. A-S 151 and A-S 155 are both affiliates of NewQuest Properties ("NewQuest"). A-S 151 and A-S 155 control approximately 42.05 undeveloped acres in the District.

FLC Parkway L.P: FLC Parkway, L.P., a Texas limited partnership ("FLC"), currently owns approximately 8 undeveloped acres and is anticipated to develop such acreage in the future for commercial purposes.

Lovett, NewQuest and FLC are collectively referred to herein as the "Developers."

UTILITY AND ROAD AGREEMENT

The District operates pursuant to a Utility and Road Agreement between the City and the District, dated as of November 16, 2015 (the "Utility Agreement"). Pursuant to the Utility Agreement, the District assumed responsibility for acquiring and constructing for the benefit of, and for the ultimate conveyance to, the City, the water distribution, wastewater collection and roadway facilities to serve development occurring within the boundaries of the District (the "Facilities") and the City agreed to accept the Facilities for operation and maintenance at the sole cost of the City in consideration for the District's financing, acquisition and construction of the Facilities. The Utility Agreement provides that the Facilities shall be designed and constructed in accordance with the City's requirements and criteria.

The City has covenanted to maintain the Facilities, or cause the Facilities to be maintained, in good condition and working order and to operate the same, or cause the same, to be operated in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. The City has also covenanted to comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders by any governmental administrative or judicial body promulgating the same.

Under the Utility Agreement, the District is authorized to issue bonds to finance the construction and acquisition of the Facilities. The Bonds must be approved by the City to the extent that such issuance complies with the City's policy related to special purpose districts. In order to secure performance by the City of its obligations under the Utility Agreement, the District retains a security interest in the Facilities transferred to the City until the District's bonds issued to acquire and construct the Facilities are paid off.

For purposes of ownership and maintenance, Facilities do not include parks and recreational facilities or the stormwater collection, drainage and detention facilities (the "Retained Facilities") unless the City, in its sole discretion, accepts such facilities. All Retained Facilities shall be maintained by the District, another district, or a property owners association. The District agrees to make binding arrangements to have the Retained Facilities maintained by an entity other than the City prior to the City's dissolution of the District.

The City's right to dissolve the District is restricted under the Utility Agreement. Under the terms of the Utility Agreement, the City agrees that it will not dissolve the District until ninety percent of the District's Facilities have been developed and the developers advancing funds to construct the Facilities have been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement of the District under such rules.

[Remainder of Page Intentionally Left Blank]

AERIAL PHOTOGRAPH OF THE DISTRICT

(October 2026)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(October 2026)













DISTRICT DEBT

Pro-Forma Debt Service Requirement Schedule

The following schedule sets forth the debt service on the Outstanding Bonds and the principal and estimated interest requirements on the Bonds, assuming an interest rate of 6.00% on the Bonds. Totals may not sum due to rounding.

Year Ending 12/31	Outstanding Bonds Debt Service	Plus: The Bonds Principal	Plus: The Bonds Interest	Total New Debt Service	Total Debt Service
2027	$ 775,113	$ -	$ 107,315	$ 107,315	$ 882,428
2028	771,725	50,000	152,100	202,100	973,825
2029	762,388	55,000	149,100	204,100	966,488
2030	762,425	55,000	145,800	200,800	963,225
2031	756,188	60,000	142,500	202,500	958,688
2032	752,406	65,000	138,900	203,900	956,306
2033	757,806	65,000	135,000	200,000	957,806
2034	757,406	70,000	131,100	201,100	958,506
2035	766,406	75,000	126,900	201,900	968,306
2036	769,406	80,000	122,400	202,400	971,806
2037	776,606	85,000	117,600	202,600	979,206
2038	778,569	90,000	112,500	202,500	981,069
2039	783,969	95,000	107,100	202,100	986,069
2040	788,788	100,000	101,400	201,400	990,188
2041	792,625	105,000	95,400	200,400	993,025
2042	795,025	115,000	89,100	204,100	999,125
2043	801,425	120,000	82,200	202,200	1,003,625
2044	806,625	125,000	75,000	200,000	1,006,625
2045	810,625	135,000	67,500	202,500	1,013,125
2046	823,131	140,000	59,400	199,400	1,022,531
2047	829,019	150,000	51,000	201,000	1,030,019
2048	828,494	160,000	42,000	202,000	1,030,494
2049	296,756	170,000	32,400	202,400	499,156
2050	-	180,000	22,200	202,200	202,200
2051	-	190,000	11,400	201,400	201,400
	$ 17,542,925	$ 2,535,000	$ 2,417,315	$ 4,952,315	$ 22,495,240

Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051) ..... $ 899,810

Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2048) ..... $ 1,030,494

[Remainder of Page Intentionally Left Blank]

Bonded Indebtedness

2026 Certified Taxable Assessed Valuation	$ 333,984,636	(a)
Estimated Taxable Assessed Valuation as of July 15, 2026	$ 356,749,184	(b)
Direct Debt:		
The Outstanding Bonds	$ 11,280,000	
The Bonds	2,535,000	
Total	$ 13,815,000	
Estimated Overlapping Debt	$ 20,677,485	(c)
Total Direct and Estimated Overlapping Debt	$ 34,492,485	
Direct Debt Ratios:		
As a percentage of the 2026 Certified Taxable Assessed Valuation	4.14 %	
As a percentage of the Estimated Taxable Assessed Valuation as of July 15, 2026	3.87 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2026 Certified Taxable Assessed Valuation	10.33 %	
As a percentage of the Estimated Taxable Assessed Valuation as of July 15, 2026	9.67 %	
Road Debt Service Fund Balance (as of Date of Delivery)	$ 276,424	(d)
Debt Service Fund Balance (as of October 20, 2026)	$ 282,418	(e)
Capital Projects Fund Balance (as of October 20, 2026)	$ 85,628	
Road Capital Projects Fund Balance (as of October 20, 2026)	$ 23,004	
General Fund Balance (as of October 20, 2026)	$ 1,650,651	
2026 Tax Rate per $100 of Assessed Valuation:		
Road Debt Service	$ 0.0825	
System Debt Service	0.1500	
Maintenance and Operations	0.2675	
Total	$ 0.5000	
Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)	$ 899,810	(f)
Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2048)	$ 1,030,494	(f)
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay the Average Annual Debt Service Requirement (2027-2051) at 95% Tax Collections:		
Based on the 2026 Certified Taxable Assessed Valuation	$ 0.29	
Based on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 0.27	
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement (2048) at 95% Tax Collections:		
Based on the 2026 Certified Taxable Assessed Valuation	$ 0.33	
Based on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 0.31	

(a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District").

(b) Provided by the Appraisal District for information purposes only. Represents new construction within the District as of July 15, 2026. This estimate is based upon the same unit value used in the taxable assessed valuation. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

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

(d) Amounts on deposit in the Road Debt Service Fund are to be used for bonds issued for the purpose of constructing or acquiring the Road System (including the Bonds) or for refunding of such bonds and may not be used to pay debt service on bonds issued by the District for the Utility System. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund.

(e) Neither Texas law nor the bond resolutions for the previously issued Utility System bonds require that the District maintain any particular sum in the Utility Debt Service Fund. Funds in the Utility Debt Service Fund are not available to pay debt service on bonds issued for the Road System, such as the Outstanding Bonds issued for the Road System and the Bonds.

(f) Includes debt service on the Outstanding Bonds and the Bonds at an estimated annual interest rate of 6.00% on the Bonds. See "DISTRICT DEBT—Pro-Forma Debt Service Requirement Schedule.

Estimated Direct and Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt as of September 30, 2026	Estimated Overlapping Percent	Estimated Overlapping Amount
Fort Bend County	$ 1,150,137,734	0.25%	$ 2,876,671
Fort Bend County Drainage District	20,585,000	0.25	51,854
Fort Bend Independent School District	2,073,125,000	0.63	13,039,436
City of Missouri City, Texas	188,070,000	2.50	4,709,524
Total Estimated Overlapping Debt			$ 20,677,485
The District			$ 13,815,000 (a)
Total Direct & Estimated Overlapping Debt			$ 34,492,485

(a) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

	Percentage of 2026 Certified Taxable Assessed Valuation	Percentage of Estimate of Value As of July 15, 2026
Direct Debt (a)	4.14%	3.87%
Total Direct and Estimated Overlapping Debt (a)	10.33%	9.67%

(a) Includes the Outstanding Bonds and the Bonds.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Outstanding Bonds, the Bonds and any additional bonds payable from taxes which the District may hereafter issue (see "RISK FACTORS – Future Debt"), and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution 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, the Utility System, and the Road System. See "TAX DATA – Maintenance and Operations Tax."

Property Tax Code and County-Wide Appraisal District

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years of age 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 the same at an election. The District would be required to call an election upon petition by 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 certain surviving dependents of disabled veterans, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential 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, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is, 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 transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to 20% of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by before July 1. The District has never adopted a homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2013 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property.

A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

The City has designated approximately 365.45 acres within the District as the City's Reinvestment Zone No. 2. The City and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. The District has not entered into any tax abatement agreement with property owners.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to 10% annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, open space land, and timberland.

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

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

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than $5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum

of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property (collectively, the "Appraisal Cap"). After the 2024 tax year, through December 31, 2026, the Appraisal Cap may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value.

District and Taxpayer Remedies

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

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Tax Payment Installments 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 judication such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

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

Levy and Collection of Taxes

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District: For the 2026 tax year, the District made the determination of its status as a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

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 years for residential and agricultural property and six months for commercial property and all other types of property after the purchaser's deed at the foreclosure sale is filed in the county records.

[Remainder of Page Intentionally Left Blank]

TAX DATA

General

All taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (see "TAXING PROCEDURES"). The Board has in its Bond Resolution covenanted 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 (see "RISK FACTORS" and "THE BONDS"). For the 2026 tax year, the District levied a maintenance and operations tax of $0.2675 per $100 of assessed valuation, a debt service tax of $0.1500 per $100 of assessed valuation and a road debt service tax of $0.0825 per $100 of assessed valuation.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Debt Service (Roads):	Unlimited (no legal limit as to rate or amount).
Maintenance and Operations:	$1.50 per $100 of assessed valuation.
Maintenance and Operations (Roads):	$0.25 per $100 of assessed valuation.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance and operations tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance and operations tax in an amount not to exceed $1.50 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. The District has levied a maintenance and operations tax every year since the 2021 tax year. The Board is authorized by the District's voters to levy a maintenance and operations tax for roads in an amount not to exceed $0.25 per $100 of assessed valuation. To date, the District has not levied a maintenance and operations tax for roads. See "Tax Rate Distribution" below.

Additional Penalties

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

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation which would be required to meet certain debt service requirements of the Bonds if no growth in the District's tax base occurs beyond the 2026 Certified Taxable Assessed Valuation ($333,984,636) or the Estimated Taxable Assessed Valuation as of July 15, 2026 ($356,749,184). The calculations assume collection of 95% of taxes levied, the Outstanding Bonds, and the sale of the Bonds but not the sale of any additional bonds by the District.

Average Annual Debt Service Requirement (2027-2051)	$ 899,810
Debt Service Tax Rate of $0.29 on the 2026 Certified Taxable Assessed Valuation	$ 921,054
Debt Service Tax Rate of $0.27 on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 915,062
Maximum Annual Debt Service Requirement (2048)	$ 1,030,494
Debt Service Tax Rate of $0.33 on the 2026 Certified Taxable Assessed Valuation	$ 1,048,096
Debt Service Tax Rate of $0.31 on the Estimated Taxable Assessed Valuation as of July 15, 2026	$ 1,050,626

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

Set forth below is an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. The following chart includes the 2026 taxes per $100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2026 Tax Rate
The District	$ 0.500000
Fort Bend County	0.407000
Fort Bend Independent School District	0.996900
Houston Community College	0.098802
City of Missouri City, Texas	0.578363
Estimated Total Tax Rate (a)	$ 3.480283

(a) Includes $0.0100 for Fort Bend County Drainage District.

Historical Tax Collections

The following table illustrates the collection history of the District for each of the 2022-2026 tax years:

Year	Taxable Assessed Valuation	Tax Rate (a)	Tax Levy	% of Current Collections	Tax Year Ending 9/30	Collections as 9/30/2026
2022	$ 191,728,698	$ 0.500	$ 958,643	100.00%	2023	100.00%
2023	285,669,441	0.500	1,428,347	100.00%	2024	100.00%
2024	303,010,722	0.500	1,515,054	100.00%	2025	100.00%
2025	306,861,497	0.500	1,534,307	98.98%	2026	98.98%
2026	333,984,636	0.500	2,153,935	(b)	2027	(b)

(a) See "Tax Rate Distribution" below.
(b) In process of collections. 2026 taxes are due without penalty by January 31, 2027.

Tax Rate Distribution

The following illustrates the composition of the District's tax rate levied in each of the 2022-2026 tax years:

Tax Year	2026	2025	2024	2023	2022
Utility	$ 0.1500	$ 0.1350	$ 0.15500	$ 0.0000	$ 0.0000
Road	0.0825	0.0750	0.0700	0.0000	0.0000
M&O	0.2675	0.2900	0.2750	0.5000	0.5000
Total	$0.5000	$ 0.5000	$ 0.5000	$ 0.5000	$ 0.5000

Assessed Valuation Summary

The following illustrates the types of property that comprise the District's assessed value, as certified by the Appraisal District, for each of the 2022-2026 tax years:

Type of Property	2026 Certified Assessed Valuation	2025 Certified Assessed Valuation	2024 Certified Assessed Valuation	2023 Certified Assessed Valuation	2022 Certified Assessed Valuation
Land	$ 40,186,912	$ 38,030,939	$ 28,847,676	$ 17,094,200	$ 12,317,810
Improvements	232,447,311	168,577,151	129,673,464	120,537,209	119,102,710
Personal Property	129,700,628	(a) 143,910,371	153,247,191	150,140,526	60,972,900
Exemptions	(68,350,215)	(43,656,964)	(8,757,609)	(2,102,494)	(664,722)
Total	$ 333,984,636	$ 306,861,497	$ 303,010,722	$ 285,669,441	$ 191,728,698

(a) See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments" and "RISK FACTORS – Dependence on Personal Property Tax Collections."

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the Appraisal District's certified appraisal rolls for the 2026 tax year. Totals may not sum due to rounding.

Taxpayer	Property Type	Taxable Assessed Valuation 2026 Tax Roll	Percent of District 2026 Value
ET Fresno LLC (a)	Land & Improvements	$ 133,827,690	40.07%
Amazon.com Services LLC (b)	Personal Property	109,614,412	32.82
A-S 151 NWC Fort Bend Pkwy-Hwy 6 LP (c)	Land & Improvements	56,115,729	16.80
Sueba Development 211 LP	Land & Improvements	6,263,005	1.88
A-S 155 FB PKWY-HWY 6 PG LP (c)	Land & Improvements	6,020,560	1.80
Lake Olympia Three LTD (d)	Land	4,762,733	1.43
Cinemark Texas Properties LTD	Personal Property	3,427,262	1.03
Amazon Logistics INC	Personal Property	2,353,717	0.70
Ulta Salon, Cosmetics & Fragrance INC	Personal Property	1,227,271	0.37
Quick Quack Carwash Holdings LLC	Personal Property	1,161,500	0.35
Total		$ 324,773,879	97.24%

(a) The landowner of the Amazon facility in the District, which is not affiliated with Amazon.com Services LLC or the Developers. See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments – Dependence on Principal Taxpayers" and "- Dependence on Personal Property Tax Collections."
(b) See "DEVELOPMENT OF THE DISTRICT – Status of Development within the District." See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments – Dependence on Principal Taxpayers" and "- Dependence on Personal Property Tax Collections."
(c) Property owned by NewQuest affiliate. See "THE DEVELOPERS."
(d) Property owned by Lovett affiliate. See "THE DEVELOPERS."

THE UTILITY SYSTEM

Regulation

According to the Engineer, the District's water distribution, wastewater collection, and drainage facilities (the "Utility System") have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ and the City. According to the Engineer, the design and construction of all such facilities has been approved and inspected by the City.

Operation of the District's water supply and wastewater treatment facilities is provided by the City, and is subject to regulation by, among others, the EPA and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Wastewater Treatment

Pursuant to the Utility Agreement, the City has agreed to provide capacity for the ultimate wastewater discharge of the District. Wastewater treatment for costumers in the District is currently provided by the City's Mustang Bayou Wastewater Treatment Plant. The City has previously issued wastewater capacity commitments to the developments within the District. The District has constructed a lift station that delivers wastewater capacity via force main to the point of discharge in the Mustang Bayou wastewater treatment plant.

Water Supply

Water is provided to the District by the City. The District has designed and constructed water supply lines within the District and off-site lines as needed to points of connection to the City's water supply system.

Pursuant to the Utility Agreement, the City has agreed to provide the District with its ultimate requirements for water supply capacity and wastewater treatment capacity. The District or a landowner is required to pay an impact fee per connection for water and wastewater capacity in such amounts as may be set by City ordinance from time to time, which impact fee shall be due at the time of platting. In the event the City cannot provide water or wastewater capacity to the District when impact fees are due, the District or landowners may advance funds to the City to construct the needed facilities and receive impact fee credit for such funds advanced.

It is the City's obligation to set rates and charges for the use of the water and wastewater facilities and to bill and collect such rates and charges from customers within the District. The City agrees to charge residents of the District water and wastewater rates that are nondiscriminatory as compared to other similarly situated customers within the Mustang Bayou Service Area. All revenues from the water and sewer facilities belong exclusively to the City.

THE ROAD SYSTEM

The Road System serves the District by providing access to the major thoroughfares and collectors within Fort Bend Parkway Business Park, Fort Bend Town Center II, Fort Bend Twon Center III and surrounding areas. The collectors serving the District include Trammel Fresno Road and Hurricane Lane. Trammel Fresno Road and Hurricane Lane act as collectors by conveying users of the District to the major thoroughfare of Highway 6 which connects to the north and south of Fort Bend Parkway Toll Road. The District will finance, design, and construct the Road System in phases as development progresses. The Road System will ultimately be owned, operated, and maintained by the City as the phases are constructed and accepted by the City. The District does not intend to maintain or operate the roads once they are accepted by the City.

[Remainder of Page Intentionally Left Blank]

General Fund Operating Statement

The following statement sets forth in condensed form the historical results of the District's Operating Fund. The figures for the fiscal years ending June 30, 2022, through June 30, 2026, were obtained from the District's audited financial statements, reference to which is hereby made. See "APPENDIX A." The District is required by statute to have a certified public accountant audit its financial statements annually, which audit is to be filed with the TCEQ.

	Fiscal Year Ending June 30,				
Revenues	**2026**	**2025**	**2024**	**2023**	**2022**
Property Taxes	$ 775,342	$ 905,190	$ 1,549,333	$ 967,851	$ 106,917
Penalty and Interest	-	-	327	42,304	-
Investment and Miscellaneous Revenues	92,621	109,224	61,959	10,086	3
Total	$ 867,963	$ 1,014,414	$ 1,611,619	$ 1,020,241	$ 106,920
Expenditures					
Professional Fees	$ 132,133	$ 102,227	$ 94,955	$ 96,985	$ 78,293
Contracted Services	46,572	42,298	50,649	35,521	29,479
Repairs and Maintenance	119,451	105,225	98,870	125,335	6,144
Other	34,907	32,503	38,085	28,229	27,117
Capital Outlay (a)	1,301,631	-	-	155,064	-
Developer Interest	69,955	-	-	-	-
Total	$ 1,704,649	$ 282,253	$ 282,559	$ 441,134	$ 141,033
NET REVENUES (Deficit)	$ (836,686)	$ 732,161	$ 1,329,060	$ 579,107	$ (34,113)
Other financing sources (uses)	$ -	$ 261	$ -	$ -	$ 204,864
Beginning fund balance	$ 2,777,777	$ 2,045,348	$ 716,288	$ 137,181	$ (33,570)
Ending fund balance	$ 1,941,084	$ 2,777,770	$ 2,045,348	$ 716,288	$ 137,181

(a) Represents a $401,258 developer reimbursement made to A-S 151 NWC Fort Bend PKWY-Hwy 6, LP for the construction of a water, sewer and drainage facility for Fort Bend Town Center 2 and a $900,372 reimbursement for a land acquisition of 32.265 acres for FB Parkway Business Park detention pond.

LEGAL MATTERS

Legal Opinions

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

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS" (except for information under the subheadings "Book-Entry-Only System" and "Use and Distribution of Bond Proceeds"), "THE DISTRICT – Authority," "TAXING PROCEDURES," "UTILITY AND ROAD AGREEMENT," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

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

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

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, that to their knowledge, no litigation is pending or threatened affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

The obligation 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

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

Tax Exemption

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

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

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with

respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

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

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

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 will designate the Bonds as "qualified tax-exempt obligations" and has represented 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 percent disallowance of allocable interest expense

Additional Federal Income Tax Considerations

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

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

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

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

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

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

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

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

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

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

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

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently enacted, proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has 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.

Annual Reports

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 Direct and Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2027. The District will provide the updated information to EMMA.

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

The District's current fiscal year end is June 30. Accordingly, it must provide updated information by the last day in December 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 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-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligations" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolutions make 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 under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

Availability of Information from EMMA

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

Limitations and Amendments

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

Compliance with Prior Undertakings

Since the District's initial bond issuance in 2024, the District has complied in all material respects with its previous continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

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

Experts

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

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

Certification as to Official Statement

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

Updating of Official Statement

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

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 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 Missouri City Management District No. 2 as of the date shown on the cover.

/s/ _____
President, Board of Directors
Missouri City Management District No. 2

ATTEST:

/s/ _____
Secretary, Board of Directors
Missouri City Management District No. 2

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

MISSOURI CITY MANAGEMENT DISTRICT NO. 2

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	10-11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	12
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	13-14
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	15
NOTES TO THE FINANCIAL STATEMENTS	16-27
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	29
NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	30
SUPPLEMENTARY INFORMATION – REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	32-33
GENERAL FUND EXPENDITURES	34
INVESTMENTS	35
TAXES AND LEVIED AND RECEIVABLE	36-37
LONG-TERM DEBT SERVICE REQUIREMENTS	38-40
CHANGES IN LONG-TERM BOND DEBT	41-42
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND – FIVE YEARS	43-46
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	47-48

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Missouri City Management District No. 2
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Missouri City Management District No. 2 (the "District") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Missouri City Management
District No. 2

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

September 15, 2026

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2026

Management's discussion and analysis of Missouri City Management District No. 2's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2026. Please read it in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund type. The General Fund accounts for property tax revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

FINANCIAL SUMMARY AND DETAILED ANALYSES

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $160,464 as of June 30, 2026. The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 3,198,031	$ 3,943,788	$ (745,757)
Capital Assets (Net of Accumulated Depreciation)	20,833,870	21,233,443	(399,573)
Total Assets	$ 24,031,901	$ 25,177,231	$ (1,145,330)
Due to Developers	$ 12,381,049	$ 13,682,680	$ 1,301,631
Bonds Payable	11,621,656	11,794,611	172,955
Other Liabilities	189,660	189,021	(639)
Total Liabilities	$ 24,192,365	$ 25,666,312	$ 1,473,947
Net Position:			
Net Investment in Capital Assets	$ (2,945,253)	$ (4,023,272)	$ 1,078,019
Restricted	882,747	871,283	11,464
Unrestricted	1,902,042	2,662,908	(760,866)
Total Net Position	$ (160,464)	$ (489,081)	$ 328,617

The following table provides a summary of the District's operations for the years ended June 30, 2026, and June 30, 2025. The District's net position increased by $328,617. Revenues decreased by $110,242, primarily due to a $95,605 decrease in property tax revenues. The District's total property valuation increased approximately 9.2% from the prior fiscal year, while the total property tax rate remained unchanged at $0.50 per $100 of assessed valuation. Despite the increase in property valuations, approximately 93% of the total taxes levied were collected as of June 30, 2026, compared to substantially all taxes being collected in the prior fiscal year. Expenses decreased by $2,090,514 compared to the prior fiscal year, primarily due to a significant decrease in developer interest expense and bond issuance related costs. The decrease in expenses more than offset the decrease in revenues, resulting in an increase in the District's net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Activities		
	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 1,547,801	$ 1,643,406	$ (95,605)
Other Revenues	129,851	144,488	(14,637)
Total Revenues	$ 1,677,652	$ 1,787,894	$ (110,242)
Expenses:			
Service Operations	$ 448,167	$ 1,401,543	$ 953,376
Depreciation	399,573	435,171	35,598
Debt Service	501,295	1,602,835	1,101,540
Total Expenses	$ 1,349,035	$ 3,439,549	$ 2,090,514
Change in Net Position	$ 328,617	$ (1,651,655)	$ 1,980,272
Net Position, Beginning	(489,081)	1,162,574	(1,651,655)
Net Position, Ending	$ (160,464)	$ (489,081)	$ 328,617

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2026, were $3,045,161, a decrease of $880,519 from the prior year. The decrease was primarily due to a decrease in the General Fund balance resulting from expenditures exceeding revenues during the fiscal year, along with a decrease in the Debt Service Fund balance as the District began making principal payments on its outstanding bonds. Of the General Fund fund balance, $1,941,084 was unassigned and available for use by the District for day-to-day operations.

The District's General Fund fund balance decreased by $836,686, primarily due to operating costs, capital outlay, and developer interest costs exceeding property tax and investment revenues.

The Debt Service Fund fund balance decreased by $46,839, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by $3,006, due to investment revenues exceeding fund expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an appropriated budget for the General Fund and did not amend the budget during the fiscal year. For additional information, see the budget to actual comparison and related notes presented as RSI.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

Capital assets as of June 30, 2026, total $20,833,870 (net of accumulated depreciation) and included land, water, sanitary sewer, paving and drainage infrastructure. Additional information on the District's capital assets can be found in Note 6.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 4,506,948	$ 4,506,948	$
Capital Assets, Net of Accumulated Depreciation:			
Water System	$ 2,260,802	$ 2,314,874	$ (54,072)
Sanitary Sewer	3,364,522	3,445,771	(81,249)
Storm Drainage	3,066,043	3,138,524	(72,481)
Roads	4,475,834	4,588,238	(112,404)
Detention System	3,159,721	3,239,088	(79,367)
Total Net Capital Assets	$ 20,833,870	$ 21,233,443	$ (399,573)

The District entered into an agreement (see Note 8) with the City of Missouri City (the "City") whereby water, wastewater, drainage and road facilities constructed within the District have been conveyed to the City for operation and maintenance for the benefit of District residents. The District considers the conveyed facilities to be intangible assets for financial reporting purposes. The District owns and maintains the detention infrastructure.

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of $11,555,000. The changes in the debt position of the District during the fiscal year ended June 30, 2026, are summarized as follows

Bond Debt Payable, July 1, 2025	$ 11,725,000
Less: Bond Principal Paid	170,000
Bond Debt Payable, June 30, 2026	$ 11,555,000

The Series 2024 Bonds and Series 2024 Road Bonds do not have an underlying rating but carry an insured rating of "AA" from S&P Global Ratings based on insurance issued by Assured Guaranty. The above ratings reflect changes, if any, through June 30, 2026.

As of June 30, 2026, the District recorded an amount due to Developers of $12,381,049 which consists of advances made by the Developers during prior fiscal years and costs associated with the construction of water, wastewater, drainage and road facilities.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2027 projects an increase in General Fund fund balance of $526,450. Compared to the fiscal year 2026 results, revenues are expected to increase by approximately $190,900, primarily due to higher property tax revenues, while expenditures are expected to decrease approximately $1.172 million, primarily due to no budgeted capital outlay and developer interest costs, partially offset by increased detention pond maintenance costs.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Missouri City Management District No. 2, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 2,568	$ 83,712
Investments	1,788,214	1,067,508
Receivables:		
Property Taxes	75,822	54,905
Accrued Interest	16,584	
Due from Other Funds	155,861	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 2,039,049	$ 1,206,125
LIABILITIES		
Accounts Payable	$ 22,143	$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		155,861
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 22,143	$ 155,861
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 75,822	$ 54,905
FUND BALANCES		
Restricted for Authorized Construction	$	$
Restricted for Debt Service		995,359
Unassigned	1,941,084	
TOTAL FUND BALANCES	$ 1,941,084	$ 995,359
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,039,049	$ 1,206,125
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 280	$ 86,560	$	$ 86,560
108,438	2,964,160		2,964,160
	130,727		130,727
	16,584		16,584
	155,861	(155,861)	
		4,506,948	4,506,948
		16,326,922	16,326,922
$ 108,718	$ 3,353,892	$ 20,678,009	$ 24,031,901
$	$ 22,143	$	$ 22,143
		167,517	167,517
		12,381,049	12,381,049
	155,861	(155,861)	
		275,000	275,000
		11,346,656	11,346,656
$ -0-	$ 178,004	$ 24,014,361	$ 24,192,365
$ -0-	$ 130,727	$ (130,727)	$ -0-
$ 108,718	$ 108,718	$ (108,718)	$
	995,359	(995,359)	
	1,941,084	(1,941,084)	
$ 108,718	$ 3,045,161	$ (3,045,161)	$ -0-
$ 108,718	$ 3,353,892		
		$ (2,945,253)	$ (2,945,253)
		882,747	882,747
		1,902,042	1,902,042
		$ (160,464)	$ (160,464)

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

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balances - Governmental Funds		$ 3,045,161
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		20,833,870
Deferred inflows of resources related to property tax revenues for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		130,727
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developers	(12,381,049)	
Accrued Interest Payable	(167,517)	
Bonds Payable Within One Year	(275,000)	
Bonds Payable After One Year	(11,346,656)	(24,170,222)
Total Net Position - Governmental Activities		$ (160,464)

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

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 775,342	$ 641,736
Penalty and Interest		2,435
Investment and Miscellaneous Revenues	92,621	30,508
TOTAL REVENUES	$ 867,963	$ 674,679
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 132,133	$
Contracted Services	46,572	40,296
Repairs and Maintenance	119,451	
Depreciation		
Other	34,907	3,572
Capital Outlay	1,301,631	
Developer Interest	69,955	
Debt Service:		
Bond Principal		170,000
Bond Interest		507,650
TOTAL EXPENDITURES/EXPENSES	$ 1,704,649	$ 721,518
NET CHANGE IN FUND BALANCES	$ (836,686)	$ (46,839)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2025	2,777,770	1,042,198
FUND BALANCES/NET POSITION - JUNE 30, 2026	$ 1,941,084	$ 995,359

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 1,417,078	$ 130,723	$ 1,547,801
	2,435		2,435
4,287	127,416		127,416
$ 4,287	$ 1,546,929	$ 130,723	$ 1,677,652
$	$ 132,133	$	$ 132,133
1,046	87,914		87,914
	119,451		119,451
		399,573	399,573
235	38,714		38,714
	1,301,631	(1,301,631)	
	69,955		69,955
	170,000	(170,000)	
	507,650	(6,355)	501,295
$ 1,281	$ 2,427,448	$ (1,078,413)	$ 1,349,035
$ 3,006	$ (880,519)	$ 880,519	$
		328,617	328,617
105,712	3,925,680	(4,414,761)	(489,081)
$ 108,718	$ 3,045,161	$ (3,205,625)	$ (160,464)

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

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

Net Change in Fund Balances - Governmental Funds	$	(880,519)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		130,723
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(399,573)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		1,301,631
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		170,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		6,355
Change in Net Position - Governmental Activities	$	328,617

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

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1. CREATION OF DISTRICT

Missouri City Management District No. 2, (the "District") was created effective June 19, 2015, by the Texas Legislature under provisions of House Bill No. 4156, of the 84th Legislature, Regular Session, 2015. The District operates in accordance with Chapter 3932 of the Special District Local Laws Code, and Chapter 375 of the Texas Local Government Code, as amended. Pursuant to the provisions of the Act creating the District, the District is empowered to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, arts and entertainment, economic development, safety, and the public welfare in the area of the District. The Board of Directors held its organizational meeting on August 18, 2015, and the first bonds were closed on July 18, 2024.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an appointed board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately appointed governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

Financial Statement Presentation

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Fund

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

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

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of June 30, 2026, the Debt Service Fund owed the General Fund $155,861 for maintenance taxes.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized if they have an original cost greater than $5,000 and a useful life over 2 years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over 45 years.

The water, wastewater, drainage and road facilities constructed within the District are conveyed to the City of Missouri City, Texas for operation and maintenance for the benefit of District properties. The District considers the conveyed facilities to be intangible assets for financial reporting purposes. See Note 6 for additional information. The District owns and maintains the detention infrastructure.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Budgetary Comparison Schedule – General Fund presents the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

Measurement Focus

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

New Accounting Pronouncements

GASB Statement No. 103 was issued in April 2024 and became effective for the District in fiscal year 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. For the District, GASB Statement No. 103 impacted Management's Discussion and Analysis and the budgetary comparison information for the General Fund but did not have an impact on the District's basic financial statements.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $1,261,560 and the bank balance was $1,264,387. The District was not exposed to custodial credit risk.

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

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 2,568	$ 1,175,000	$ 1,177,568
DEBT SERVICE FUND	83,712		83,712
CAPITAL PROJECTS FUND	280		280
TOTAL DEPOSITS	$ 86,560	$ 1,175,000	$ 1,261,560

Investments

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

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS. Certificates of deposit are valued at acquisition cost at the date of purchase.

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Texas CLASS	$ 613,214	$ 613,214
Certificates of Deposit	1,175,000	1,175,000
DEBT SERVICE FUND		
Texas CLASS	1,067,508	1,067,508
CAPITAL PROJECTS FUND		
Texas CLASS	108,438	108,438
TOTAL INVESTMENTS	$2,964,160	$2,964,160

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2026, the District's investment in Texas CLASS was rated "AAAm" by Standard & Poor's. The District also manages credit risk by investing in certificates of deposit with balances below maximum FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Restrictions - All cash and investments of the Debt Service Fund are restricted for payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 4. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2026:

	July 1, 2025	Additions	Retirements	June 30, 2026
Bonds Payable	$ 11,725,000	$	$ 170,000	$ 11,555,000
Unamortized Discounts	(156,466)		(6,680)	(149,786)
Unamortized Premiums	226,077		9,635	216,442
Bonds Payable, Net	$ 11,794,611	$ -0-	$ 172,955	$ 11,621,656

Amount Due Within One Year	$ 275,000
Amount Due After One Year	11,346,656
Bonds Payable, Net	$ 11,621,656

	Series 2024 Bonds	Series 2024 Road Bonds
Amount Outstanding – June 30, 2026	$7,330,000	$4,225,000
Interest Rates	3.75% - 6.25%	4.00% -6.50%
Maturity Date	September 1, 2026/2048	September 1, 2026/2049
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2030*	September 1, 2030*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District.

NOTE 4. LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total
2027	$ 275,000	$ 493,831	$ 768,831
2028	290,000	475,919	765,919
2029	305,000	457,056	762,056
2030	315,000	437,406	752,406
2031	335,000	416,806	751,806
2032-2036	1,925,000	1,824,321	3,749,321
2037-2041	2,460,000	1,388,947	3,848,947
2042-2046	3,105,000	839,078	3,944,078
2047-2050	2,545,000	180,836	2,725,836
	$ 11,555,000	$ 6,514,200	$ 18,069,200

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.

As of June 30, 2026, the District had authorized but unissued bonds in the amount of $105,120,000 for the purchase or construction of water, sewer, and drainage facilities and the refunding of bonds issued for same, $6,745,000 for the purchase or construction of parks and recreational facilities and the refunding of bonds issued for same, and $53,755,000 for the purchase or construction of road facilities and the refunding of bonds for same.

During the current year, the District levied an ad valorem debt service tax rate of $0.135 per $100 of assessed valuation and an ad valorem road debt service tax rate of $0.075 per $100 of assessed valuation which resulted in a tax levy of $753,729 on the adjusted taxable valuation of $358,918,811 for the 2025 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for discussion of the maintenance tax.

NOTE 5. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

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

The bond resolutions state that the District is required to provide continuing disclosure of certain general financial information and operating data, as well as notice of certain material events as defined by federal securities laws, with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 6. CAPITAL ASSETS

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

	July 1, 2025	Increases	Decreases	June 30, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 4,506,948	$ -0-	$ -0-	$ 4,506,948
Capital Assets Subject to Depreciation				
Water System	$ 2,433,257	$	$	$ 2,433,257
Sanitary Sewer	3,656,201			3,656,201
Storm Drainage	3,261,664			3,261,664
Roads	4,864,340			4,864,340
Detention System	3,571,497			3,571,497
Total Capital Assets Subject to Depreciation	$ 17,786,959	$ -0-	$ -0-	$ 17,786,959
Accumulated Depreciation				
Water System	$ 118,383	$ 54,072	$	$ 172,455
Sanitary Sewer	210,430	81,249		291,679
Storm Drainage	123,140	72,481		195,621
Roads	276,102	112,404		388,506
Detention System	332,409	79,367		411,776
Total Accumulated Depreciation	$ 1,060,464	$ 399,573	$ -0-	$ 1,460,037
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 16,726,495	$ (399,573)	$ -0-	$ 16,326,922
Total Capital Assets, Net of Accumulated Depreciation	$ 21,233,443	$ (399,573)	$ -0-	$ 20,833,870

Capital assets owned and maintained by the District include detention infrastructure. Developers have financed the construction of water, wastewater, drainage and road facilities which serve District properties. These facilities have been conveyed to the City of Missouri City in accordance with the Utility and Road Agreement (see Note 8). In exchange for conveyance of these assets, the City agrees to provide service to properties in the District. The District considers the conveyed facilities to be intangible assets for financial reporting purposes.

NOTE 7. MAINTENANCE TAX

On May 7, 2016, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose. During the year ended June 30, 2026, the District levied an ad valorem maintenance tax rate of $0.29 per $100 of assessed valuation, which resulted in a tax levy of $1,040,865 on the adjusted taxable valuation of $358,918,811 for the 2025 tax year.

On May 7, 2016, the voters of the District approved the levy and collection of a road maintenance tax not the exceed $0.25 per $100 of assessed valuation to be used for constructing and maintaining the District's roads. As of June 30, 2026, the District has not levied a road maintenance tax.

NOTE 8. UTILITY AND ROAD AGREEMENT

The District operates pursuant to a Utility and Road Agreement ("Agreement") with the City of Missouri City (the "City") dated November 16, 2015. Pursuant to the Agreement, the District assumed responsibility for acquiring and constructing for the benefit of, and for ultimate conveyance to, the City, the water distribution, wastewater collection, drainage and road facilities to serve development occurring within the boundaries of the District (the "Facilities") and the City agreed to accept the Facilities for operation and maintenance at the sole cost of the City in consideration for the District's financing, acquisition and construction of the Facilities. The City agrees to charge properties in the District the same water and wastewater rates that the City charges to similarly situated customers within the Mustang Bayou Service Area. The District will retain ownership of the detention facilities.

The Agreement provides that the Facilities shall be designed and constructed in accordance with the City's requirements and criteria. The District is authorized to issue bonds to finance the construction and acquisition of the Facilities. The Agreement will remain in effect until the earlier of 30 years or the dissolution of the District by the City.

NOTE 9. RISK MANAGEMENT

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

NOTE 10. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the District which provides for the Developers to make payments on behalf of the District for various projects and operating advances. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission, if applicable. The District has recorded a liability to the Developers of $12,381,049 for operating advances and completed projects as of June 30, 2026. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developers. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs for operating advances:

Due to Developers, July 1, 2025	$	13,682,680
Less: Current Year Payments		1,301,631
Due to Developers, June 30, 2026	$	12,381,049

NOTE 11. USE OF SURPLUS FUNDS

On January 27, 2026, the Commission approved the use of surplus funds in the amount of $1,468,474 to reimburse the Developers for a portion of the construction of the water, wastewater and drainage facilities for Fort Bend Town Center II and land acquisition costs for Fort Bend Parkway Business Park Detention Pond Phase 1 and related Developer interest. The District used surplus funds in the amount of $1,371,586 to reimburse the Developers for eligible construction and land acquisition costs and related Developer interest.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2026

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budgeted Amounts	Actual Amounts Budgetary Basis	Variance Over (Under) Actual Amounts
BUDGETARY REVENUES			
Property Taxes	$ 861,000	$ 775,342	$ (85,658)
Investment and Miscellaneous Revenues	118,900	92,621	(26,279)
TOTAL BUDGETARY REVENUES	$ 979,900	$ 867,963	$ (111,937)
BUDGETARY EXPENDITURES			
Service Operations:			
Professional Fees	$ 110,900	$ 132,133	$ 21,233
Contracted Services	45,800	46,572	772
Repairs and Maintenance	114,330	119,451	5,121
Other	40,800	34,907	(5,893)
Capital Outlay		1,301,631	1,301,631
Developer Interest		69,955	69,955
TOTAL BUDGETARY EXPENDITURES	$ 311,830	$ 1,704,649	$ 1,392,819
NET CHANGE IN FUND BALANCE	$ 668,070	$ (836,686)	$ (1,504,756)
BUDGETARY FUND BALANCE - JULY 1, 2025	2,777,770	2,777,770	
BUDGETARY FUND BALANCE - JUNE 30, 2026	$ 3,445,840	$ 1,941,084	$ (1,504,756)

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
NOTES TO THE BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

An unappropriated budget is adopted annually for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting, the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The original General Fund budget for the current year was adopted on June 17, 2025 and was not amended.

For the fiscal year ended June 30, 2026, actual revenues were $111,937 less than budget, primarily due to property tax revenues coming in lower than anticipated. Property tax revenues totaled $775,342, compared to budgeted property tax revenues of $861,000, a decrease of $85,658. This was primarily due to a $189,701 adjustment to prior-year property taxes, which decreased current-year property tax revenues. In addition, investment and miscellaneous revenues were $26,279 lower than budget. Expenditures were $1,392,819 higher than budget primarily due to capital outlay and developer interest from approved surplus funds use, which were not included in the original budget. Overall, the District finished the year $1,504,756 under budget.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2026

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2026

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

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

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

X Other (specify): Storm Water Detention

2. RETAIL SERVICE PROVIDERS: (Not Applicable)

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Not Applicable)

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

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

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

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2026

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely X Partly _____ Not at all _____

City in which District is located:

City of Missouri City, Texas

Are Board Members appointed by an office outside the District?

Yes X No _____

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2026

PROFESSIONAL FEES:		
Auditing	$	22,500
Engineering		45,245
Legal		64,388
TOTAL PROFESSIONAL FEES	$	132,133
CONTRACTED SERVICES:		
Bookkeeping	$	44,572
Tax Collector		2,000
TOTAL CONTRACTED SERVICES	$	46,572
REPAIRS AND MAINTENANCE	$	119,451
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	15,912
Insurance		6,221
Office Supplies and Postage		1,758
Payroll Taxes		1,217
Travel and Meetings		2,077
Other		7,722
TOTAL ADMINISTRATIVE EXPENDITURES	$	34,907
CAPITAL OUTLAY	$	1,301,631
DEVELOPER INTEREST	$	69,955
TOTAL EXPENDITURES	$	1,704,649

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
INVESTMENTS
JUNE 30, 2026

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0001	Varies	Daily	$ 613,214	$
Certificate of Deposit	XXXX2863	3.70%	02/24/27	235,000	3,002
Certificate of Deposit	XXXX5878	4.00%	07/01/26	235,000	9,348
Certificate of Deposit	XXXX5656	3.75%	12/24/26	235,000	145
Certificate of Deposit	XXXX6495	3.65%	01/13/27	235,000	3,948
Certificate of Deposit	XXXX2555	3.65%	06/24/27	235,000	141
TOTAL GENERAL FUND				$ 1,788,214	$ 16,584
DEBT SERVICE FUND					
Texas CLASS - WSD	XXXX0003	Varies	Daily	$ 426,489	$
Texas CLASS - ROAD	XXXX0005	Varies	Daily	641,019	
TOTAL DEBT SERVICE FUND				$ 1,067,508	$ -0-
CAPITAL PROJECTS FUND					
Texas CLASS - WSD	XXXX0002	Varies	Daily	$ 85,656	$
Texas CLASS - ROAD	XXXX0004	Varies	Daily	22,782	
TOTAL CAPITAL PROJECTS FUND				$ 108,438	$ -0-
TOTAL - ALL FUNDS				$ 2,964,160	$ 16,584

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - JULY 1, 2025	$ 2		$ 2	
Adjustments to Beginning Balance	(189,703)	$ (189,701)	(57,090)	$ (57,088)
Original 2025 Tax Levy	$ 915,656		$ 663,061	
Adjustment to 2025 Tax Levy	125,209	1,040,865	90,668	753,729
TOTAL TO BE ACCOUNTED FOR		$ 851,164		$ 696,641
TAX COLLECTIONS:				
Prior Years	$ (189,701)		$ (57,088)	
Current Year	965,043	775,342	698,824	641,736
TAXES RECEIVABLE - JUNE 30, 2026		$ 75,822		$ 54,905

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2026

	2025	2024	2023	2022
TOTAL PROPERTY VALUATIONS	$ 358,918,811	$ 328,681,175	$ 309,554,773	$ 191,731,750
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.21	$ 0.2250	$ 0.00	$ 0.00
Maintenance	0.29	0.2750	0.50	0.50
TOTAL TAX RATES PER $100 VALUATION	$ 0.50	$ 0.5000	$ 0.50	$ 0.50
ADJUSTED TAX LEVY*	$ 1,794,594	$ 1,643,406	$ 1,547,774	$ 958,659
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	92.72 %	100.00 %	100.00 %	100.00 %

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

Maintenance Tax – A tax not to exceed $1.50 per $100 of assessed valuation approved by voter on May 7, 2016.

Road Maintenance Tax – A tax not to exceed $0.25 per $100 of assessed valuation approved by voters on May 7, 2016.

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	SERIES-2024		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$ 175,000	$ 312,831	$ 487,831
2028	185,000	301,581	486,581
2029	195,000	289,706	484,706
2030	205,000	277,206	482,206
2031	215,000	264,081	479,081
2032	225,000	250,472	475,472
2033	235,000	238,881	473,881
2034	250,000	229,181	479,181
2035	260,000	218,981	478,981
2036	275,000	208,281	483,281
2037	290,000	196,981	486,981
2038	305,000	185,463	490,463
2039	320,000	173,344	493,344
2040	335,000	160,453	495,453
2041	350,000	147,181	497,181
2042	370,000	133,000	503,000
2043	385,000	117,900	502,900
2044	405,000	102,100	507,100
2045	425,000	85,500	510,500
2046	445,000	68,100	513,100
2047	470,000	49,800	519,800
2048	495,000	30,500	525,500
2048	515,000	10,302	525,302
2050			
	$ 7,330,000	$ 4,051,825	$ 11,381,825

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Due During Fiscal Years Ending June 30	SERIES-2024 ROAD		
	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$ 100,000	$ 181,000	$ 281,000
2028	105,000	174,338	279,338
2029	110,000	167,350	277,350
2030	110,000	160,200	270,200
2031	120,000	152,725	272,725
2032	125,000	146,325	271,325
2033	130,000	141,225	271,225
2034	135,000	135,925	270,925
2035	140,000	130,425	270,425
2036	150,000	124,625	274,625
2037	155,000	118,525	273,525
2038	165,000	112,125	277,125
2039	170,000	105,425	275,425
2040	180,000	98,425	278,425
2041	190,000	91,025	281,025
2042	195,000	83,325	278,325
2043	205,000	75,325	280,325
2044	215,000	66,925	281,925
2045	225,000	58,125	283,125
2046	235,000	48,778	283,778
2047	250,000	38,775	288,775
2048	260,000	28,256	288,256
2048	270,000	17,325	287,325
2050	285,000	5,878	290,878
	$ 4,225,000	$ 2,462,375	$ 6,687,375

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Due During Fiscal Years Ending June 30	ANNUAL REQUIREMENTS FOR ALL SERIES Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$ 275,000	$ 493,831	$ 768,831
2028	290,000	475,919	765,919
2029	305,000	457,056	762,056
2030	315,000	437,406	752,406
2031	335,000	416,806	751,806
2032	350,000	396,797	746,797
2033	365,000	380,106	745,106
2034	385,000	365,106	750,106
2035	400,000	349,406	749,406
2036	425,000	332,906	757,906
2037	445,000	315,506	760,506
2038	470,000	297,588	767,588
2039	490,000	278,769	768,769
2040	515,000	258,878	773,878
2041	540,000	238,206	778,206
2042	565,000	216,325	781,325
2043	590,000	193,225	783,225
2044	620,000	169,025	789,025
2045	650,000	143,625	793,625
2046	680,000	116,878	796,878
2047	720,000	88,575	808,575
2048	755,000	58,756	813,756
2048	785,000	27,627	812,627
2050	285,000	5,878	290,878
	$ 11,555,000	$ 6,514,200	$ 18,069,200

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2026

Description	Original Bonds Issued	Bonds Outstanding July 1, 2025
Missouri City Management District No. 2 Unlimited Tax Road Bonds - Series 2024	$ 4,225,000	$ 4,225,000
Missouri City Management District No. 2 Unlimited Tax Bonds - Series 2024	7,500,000	7,500,000
TOTAL	$ 11,725,000	$ 11,725,000

Bond Authority:	Utility Bonds	Road Bonds	Park Bonds
Amount Authorized by Voters	$ 112,620,000	$ 57,980,000	$ 6,745,000
Amount Issued	7,500,000	4,225,000	
Remaining to be Issued	$ 105,120,000	$ 53,755,000	$ 6,745,000

Debt Service Fund cash and investment balances as of June 30, 2026:	$ 1,151,220
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 752,883

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

See accompanying independent auditor's report.

Current Year Transactions			
Retirements		Bonds Outstanding June 30, 2026	Paying Agent
Principal	Interest		
$	$ 184,250	$ 4,225,000	Regions Bank Houston, Texas
170,000	323,400	7,330,000	Regions Bank Houston, Texas
$ 170,000	$ 507,650	$ 11,555,000	

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 775,342	$ 905,190	$ 1,549,333
Penalty and Interest			327
Investment and Miscellaneous Revenues	92,621	109,224	61,959
TOTAL REVENUES	$ 867,963	$ 1,014,414	$ 1,611,619
EXPENDITURES			
Professional Fees	$ 132,133	$ 102,227	$ 94,955
Contracted Services	46,572	42,298	50,649
Repairs and Maintenance	119,451	105,225	98,870
Other	34,907	32,503	38,085
Capital Outlay	1,301,631		
Developer Interest	69,955		
TOTAL EXPENDITURES	$ 1,704,649	$ 282,253	$ 282,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (836,686)	$ 732,161	$ 1,329,060
OTHER FINANCING SOURCES			
Transfers In (Out)	$ -0-	$ 261	$ -0-
Developer Advances			
TOTAL OTHER FINANCING SOURCES	$ - 0 -	$ 261	$ - 0 -
NET CHANGE IN FUND BALANCE	$ (836,686)	$ 732,422	$ 1,329,060
BEGINNING FUND BALANCE	2,777,770	2,045,348	716,288
ENDING FUND BALANCE	$ 1,941,084	$ 2,777,770	$ 2,045,348

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
$ 967,851	$ 106,917	89.3 %	89.2 %	96.2 %	94.9 %	100.0 %
42,304					4.1	
10,086	3	10.7	10.8	3.8	1.0	
$ 1,020,241	$ 106,920	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 96,985	$ 78,293	15.2 %	10.1 %	5.9 %	9.5 %	73.2 %
35,521	29,479	5.4	4.2	3.1	3.5	27.6
125,335	6,144	13.8	10.4	6.1	12.3	5.7
28,229	27,117	4.0	3.2	2.4	2.8	25.4
155,064		150.0			15.2	
		8.1				
$ 441,134	$ 141,033	196.5 %	27.9 %	17.5 %	43.3 %	131.9 %
$ 579,107	$ (34,113)	(96.5) %	72.1 %	82.5 %	56.7 %	(31.9) %
$ -0-	$ - 0 -					
	204,864					
$ - 0 -	$ 204,864					
$ 579,107	$ 170,751					
137,181	(33,570)					
$ 716,288	$ 137,181					

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 641,736	$ 739,531	$
Penalty and Interest	2,435	680	
Investment and Miscellaneous Revenues	30,508	28,389	
TOTAL REVENUES	$ 674,679	$ 768,600	$ - 0 -
EXPENDITURES			
Tax Collection Expenditures	$ 42,254	$ 26,407	$
Debt Service Principal	170,000		
Debt Service Interest and Fees	509,264	255,474	
TOTAL EXPENDITURES	$ 721,518	$ 281,881	$ - 0 -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (46,839)	$ 486,719	$ - 0 -
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ - 0 -	$ 555,479	$ - 0 -
NET CHANGE IN FUND BALANCE	$ (46,839)	$ 1,042,198	$ - 0 -
BEGINNING FUND BALANCE	1,042,198		
ENDING FUND BALANCE	$ 995,359	$ 1,042,198	$ - 0 -
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
$	$	95.1 %	96.2 %	%	%	%
		0.4	0.1			
		4.5	3.7			
$ - 0 -	$ - 0 -	100.0 %	100.0 %	%	%	%
$	$	6.3 %	3.4 %	%	%	%
		25.2				
		75.5	33.2			
$ - 0 -	$ - 0 -	107.0 %	36.6 %	%	%	%
$ - 0 -	$ - 0 -	(7.0) %	63.4 %	N/A %	N/A %	N/A %
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
N/A	N/A					
N/A	N/A					

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2026

District Mailing Address - Missouri City Management District No. 2
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2400
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2026	Expense Reimbursements for the year ended June 30, 2026	Title
James C. Brown	06/2023 - 06/2027 (Appointed)	$ 1,989	$ 258	President
David Denton	06/2025 - 06/2029 (Appointed)	$ 2,652	$ 678	Vice President
Ivy Davis Levingston	06/2025 - 06/2029 (Appointed)	$ 1,768	$ 218	Secretary
Chuck Howell	06/2023 - 06/2027 (Appointed)	$ 2,873	$ 126	Assistant Secretary
Jaime Stewart	06/2023 - 06/2027 (Appointed)	$ 2,652	$ 110	Director
Benton Schmaltz	06/2025 - 06/2029 (Appointed)	$ 1,989	$ 239	Director
Ryan Kerr	03/2025 - 06/2027 (Appointed)	$ 1,989	$ 25	Director

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

Submission date of most recent District Registration Form: June 17, 2025

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

See accompanying independent auditor's report.

MISSOURI CITY MANAGEMENT DISTRICT NO. 2
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2026

Consultants:	Date Hired	Fees for the year ended June 30, 2026	Title
Allen Boone Humphries Robinson LLP	08/18/15	$ 71,630	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	06/21/22	$ 16,500 $ 6,000	Auditor Surplus Funds
Municipal Accounts & Consulting, LP	09/30/20	$ 47,998	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	09/29/21	$ -0-	Delinquent Tax Attorney
Cedar Creek Municipal Advisors, LLC	04/21/26	$ -0-	Financial Advisor
LJA Engineering, Inc.	08/15/15	$ 21,043 $ 24,202	Engineer Surplus Funds
Assessment of the Southwest, Inc. (formerly B&A Municipal Tax Service, LLC)	02/01/26	$ 16,960	Tax Assessor/ Collector
Mark Burton	09/30/20	$ -0-	Investment Officer

See accompanying independent auditor's report.